

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JULY 14, 1927



"AMERICA FORE"

Impedimenta

Thus Caesar referred to the necessary baggage of the Roman armies. Baggage that had to be worried about and transported across the hot plains or over the high Alps—through campaign after campaign—impedimenta, things which impede.

Today, baggage is still a necessary impediment. However, insurance has done much to relieve the burdened traveller by safeguarding him from loss should his baggage become lost or destroyed.

See that all your clients are informed about the Personal Effects Floater before they start on their vacation. It is a service they will appreciate.

The CONTINENTAL
INSURANCE COMPANY
EIGHTY MAIDEN LANE, NEW YORK, N.Y.

ERNEST STURGE, Chairman of the Board
PAUL L. REARD, President

CASH CAPITAL — TEN MILLION DOLLARS

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO

"The Continental Commands Confidence"



TO INSURANCE AGENTS
AND BROKERS:

WE ARE MAKING APPRAISALS OF INDUSTRIAL ESTABLISHMENTS THAT YOU CAN USE WITH CONFIDENCE FOR THE PLACEMENT AND ADJUSTMENT OF FIRE INSURANCE. THESE APPRAISALS ARE BASED UPON A DETAILED INSPECTION AND INVENTORY MADE BY TRAINED ENGINEERS. COSTS TO REPRODUCE NEW, COSTS TO REPRODUCE NEW LESS DEPRECIATION AND INSURABLE VALUES ARE SHOWN. CLASSIFICATIONS CONFORM TO INSURANCE RIDER FORMS. WE DESIGN PLANTS, WE BUILD PLANTS, WE MANAGE PLANTS. OUR APPRAISALS ARE MADE, THEREFORE, FROM FIRST HAND INFORMATION. ASK US ABOUT THEM.

Ford, Bacon & Davis
Incorporated
Engineers

115 BROADWAY NEW YORK
PHILADELPHIA CHICAGO SAN FRANCISCO NEW ORLEANS

A Company for Good Agents

Twenty-two years of continuous progress have molded a reputation for the Home Fire Insurance Company of Arkansas that commands the confidence of every local agent. From an idea in 1905 this institution has grown to one of \$1,750,711.46 assets and \$500,000 paid up capital.

Wherever the Home Fire is located you will find a satisfied agent.

We have excellent agency opportunities in Arkansas, Louisiana and Mississippi.

Home Fire Insurance Co.
of Little Rock, Arkansas

FINANCIAL STATEMENT

MARYLAND INSURANCE COMPANY

95 MAIDEN LANE
NEW YORK

ASSETS

Bonds and Stocks (Actual market value December 31, 1926)	\$ 915,566.00
Cash in Bank and in Office	1,092,005.76
Premiums in course of collection	179,007.93
Other Assets	7,105.17

\$2,193,684.86

LIABILITIES

Unearned Premium	\$253,552.23
Losses in process of adjustment	55,739.00
Reserve for taxes and other bills	20,700.00

\$329,991.23

Capital \$ 750,000.00

Net Surplus 1,113,693.63

Policyholders' Surplus **1,863,693.63**

\$2,193,684.86

	1925	1927
Net Premiums	\$ 292,811.52	\$ 520,663.99
Assets	1,048,263.38	2,193,684.86
Liabilities	273,265.18	329,991.23
Capital	500,000.00	750,000.00
Surplus	274,998.20	1,113,693.63

*This Company is Owned and Operated
by the*

NIAGARA FIRE INSURANCE COMPANY
OF NEW YORK

1794

1927

THE INSURANCE COMPANY
OF THE
STATE OF PENNSYLVANIA
PHILADELPHIA, PA.

Fire—Lightning

Windstorm

Tourist Baggage

Automobile

Inland Transportation

Parcel Post

Use & Occupancy

Rent Insurance

Acquire

THE OLD "STATE OF PENN"

NEW YORK
MINNEAPOLIS

SAN FRANCISCO
RICHMOND

Marsh & McLennan

INSURANCE

FIRE

LIABILITY

MARINE

164 W. Jackson Boulevard, Chicago

LONDON
WINNIPEG
PITTSBURGH
PHOENIX

SEATTLE
DETROIT
CLEVELAND
COLUMBUS

PORTLAND
BUFFALO
DULUTH
MONTREAL
INDIANAPOLIS



CASH CAPITAL, \$500,000.00

THE EAST and WEST WILL FILL THAT PLACE

In a good many insurance offices there is a definitely felt need for a strongly backed, progressive, fire company to take care of the increased volume of the growing agency.

The East and West is such a company, sponsored by the old reliable Security Insurance Company of New Haven which has an enviable record dating back to 1841. The East and West is a strong, growing company writing Fire, Lightning, Tornado and Automobile insurance, the kind of Company you will be glad to have in your agency.

*Owned by and under the Management of
Security Insurance Company of New Haven*

Western Department
ROCKFORD, ILLINOIS
Walter D. Williams, Manager



Recommend the Installation of SCHLESCO SHURE

If someone came to you and showed you how to save money wouldn't you try to show in some substantial way your appreciation?

Certainly—and the dry cleaner is no different than yourself!

If you tell him about Schlesco Shure—recommend Schlesco Shure—you will find yourself repaid with a new line of insurance. But first you must know about Schlesco Shure so send in the coupon below today for full particulars about this efficient fire extinguisher and good will builder.

Schlesco Shure
MANUFACTURING COMPANY
DES MOINES IOWA
THE GLOVER SALES CO.
KANSAS CITY, MO.

Exclusive Distributors of Schlesco-Shure Products to Dry Cleaners

SCHLESCO-SHURE MAKES AN UNDESIRABLE LINE DESIRABLE

Schlesco-Shure Mfg. Co.,
Des Moines, Ia.

I am interested in Schlesco-Shure. Send me complete information on how the units work and how dry cleaning establishments may secure them.

Name

Address

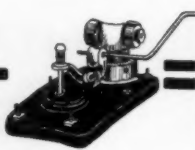
City..... State.....

Position

N.U. 7-14-27



+



SCHLESCO-SHURE UNITS are listed as standard by Underwriters Laboratories.

Approved by N. Y. Industrial Code Commission.

Approved and recommended by prominent insurance and fire officials. Designed to comply with all State and City Fire Regulations.

Schlesco-Shure products are distributed to Dry Cleaners exclusively through the Glover Sales Co. of Kansas City, whose sales and service engineers are at the command of present and prospective Schlesco-Shure users.



EIGHTEENTH-CENTURY ENGRAVER AT WORK
FROM MARJETTE, PIERRES GRAVÉES

REPRINTED WITH PERMISSION OF THE METROPOLITAN MUSEUM OF ART, NEW YORK

Insurance on Silverware

Covering All Risks in All Situations, except Denting,
Wear and War Risks

RATE 1%. MINIMUM PREMIUM \$5.00.

A. F. SHAW & COMPANY

75 Maiden Lane
New York City

Insurance Exchange
Chicago, Ill.

General Agents - "All Risks" Department

Saint Paul

Fire & Marine Insurance Co.

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

P. D. BAIN
Chairman of the Board

HENRY G. BARBER
President

The Hampton Roads Fire and Marine Insurance Company

NORFOLK, VIRGINIA

ARCHITECTS IN INSURANCE PROBLEMS

L. A. Wiweke & Co.

(Pronounced: Wee-wick)

175 W. Jackson Blvd., Chicago

EXCESS: Treaties for General FIRE—Automobile BLANKET Fire—Auto-
mobile and General Public Liability—Workmen's Compensation



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD,
EXPLOSION,
RIOT and CIVIL
COMMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY

**AUTOMOBILE
FULL
COVERAGE**

Reading between the lines of our slogan, one who is familiar with insurance history can see much of interest.

—Valuable experience dating back two centuries and more

—Resources totalling millions

—A reputation built by the record of two hundred and seventeen years of honorable dealing.

Not all of this belongs to the Patriotic alone but since the Patriotic and the Sun are under the same management it does have the benefit of it for

Back of the Patriotic is The Sun.

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
55 FIFTH AVENUE, NEW YORK

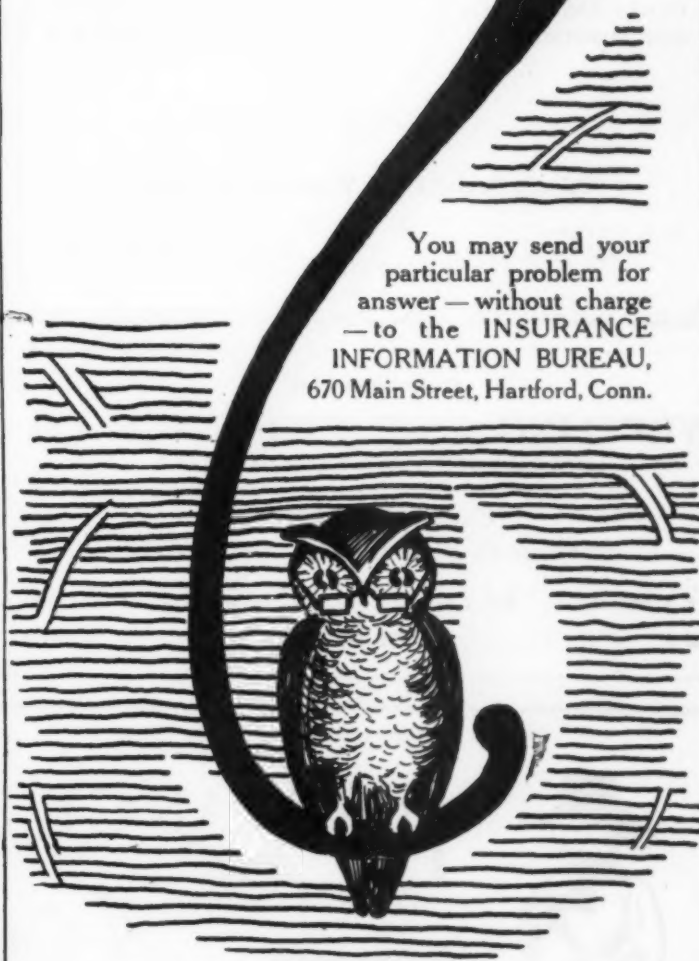
PRESTON T. KELSEY *President*

WESTERN DEPARTMENT
WRIGLEY BLDG., CHICAGO
JOHN F. STAFFORD, *Manager*

PACIFIC DEPARTMENT
SAN FRANCISCO
G. A. HENRY, *General Manager*

Ask us another

You may send your particular problem for answer — without charge — to the **INSURANCE INFORMATION BUREAU**, 670 Main Street, Hartford, Conn.



RALPH B. IVES, *President*

The
Insurance Information Bureau
670 Main Street . . . Hartford, Connecticut

The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

United States Fire Branch: 45 John Street, New York
J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agt.

U. S.—Statement December 31, 1926

ASSETS	\$8,132,324.02
PREMIUM RESERVE	1,981,557.73
OTHER LIABILITIES	790,346.75
NET SURPLUS	5,360,419.54

Chicago Branch: 175 West Jackson Blvd.

R. E. Schramm
Field Supervisor

Barton F. Walker
Manager Brokerage Dept.

Organized 1867

WHEELING FIRE INSURANCE CO. WHEELING, WEST VIRGINIA

Capital \$200,000.00
Surplus to Policyholders \$380,507.56

O. E. STRAUCH, Secy. WM. V. FISCHER, Asst. Secy. C. W. VOELLGER, State Agent
SAFE SOLID SOUND

Great American Insurance Company New York

Choose
Your
Company

Choose
Your
Company

INCORPORATED - 1872

STATEMENT JANUARY 1, 1927
CAPITAL

\$12,500,000.00

RESERVE FOR ALL OTHER LIABILITIES

23,110,445.67

NET SURPLUS

17,628,138.96

ASSETS

53,238,584.63

SURPLUS FOR THE PROTECTION OF POLICY HOLDERS

\$30,128,138.96

LOSSES PAID POLICY HOLDERS

\$185,174,967.15

WESTERN DEPARTMENT

310 South Michigan Avenue, CHICAGO, ILL.
C. R. STREET, Vice-President

AMERICAN UNION Insurance Company of New York

Administrative Offices, Hartford, Conn.
J. H. VREELAND, President

Assets \$1,747,821.82 Liabilities \$373,586.55
Policy holders Surplus \$1,374,235.27

Fire Insurance and All Allied Lines



INSURANCE THOUGHTS from *A Carolinian*

I have often seen a great crowd of people melt away swiftly when a sudden flood of rain descended upon them. Only those who carried umbrellas remained.

Similarly, in the case of open-air events, rain melts away the profits. Generally, only those promoters who protect themselves with Rain Insurance realize a profit.

Their financial interests do not suffer, even though the crowds desert them.

Rain Insurance provides a worthwhile field for local agents at this out-door season—worthwhile not only because of the commissions, but also because of the advertising derived from it, for the public is always interested in Rain Insurance. Your public will be interested, too, in the sure protection offered by a policy in The Carolina Insurance Company.



NEW YORK OFFICE
59 Maiden Lane

—The Carolinian.

Progressive, well qualified agents will do well to consider The Carolina for representation in their agency.



When you enjoy the satisfaction of having

sold your prospect: When you sit with your thumbs in your vest, a cigar in your mouth: When all the world is rosy and sweet: Then rest assured that your satisfaction has come to stay.

With the strong ATLAS Casualty Company behind the policy you sold, you are certain that your client will have every protection in case of an accident, and that his claims will be promptly and satisfactorily settled. Too, you can count on his renewal when the time comes around.

You can be sure of this service and of a well pleased client because the ATLAS Casualty Company *specializes* in automobile insurance exclusively, devoting all of its time to helping its agents and protecting its policyholders. Its policy, too, provides every automobile insurance protection—fire, theft, liability, property damage, collision, tornado—and you can write any or all coverages in *one* ATLAS policy.

Surely, then, there is cause for your enjoyment and satisfaction when you have sold a policy as secure as ATLAS!

Atlas

Casualty Company

EXECUTIVE OFFICES
Fort Wayne, Indiana

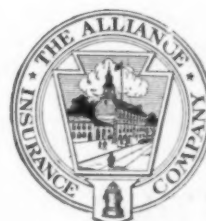
Operating in Illinois, Indiana, Ohio,
Michigan, Missouri and Pennsylvania

Alliance—a Company Known

THE Alliance Insurance Company is nationally known as a sound, amply-capitalized, prompt-paying institution. The name needs no introduction.

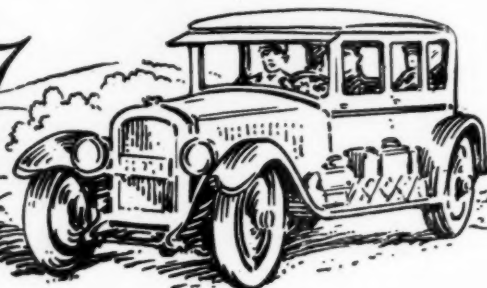
This Company is known, furthermore, as an efficient organization. Its agents are presented to the public as qualified insurance counselors.

With his Company known in these ways, the Alliance Agent has two advantages: An ever-acceptable institution behind him, and a pre-established personal prestige.



THE ALLIANCE
INSURANCE COMPANY
of PHILADELPHIA

VACATION 1927



Some of you will yield to your long cherished ambition to visit Glens Falls—the City of Homes—which is famous

1st As the site of Fenimore Cooper's immortal story,
"THE LAST OF THE MOHICANS"

["Cooper's Cave," where the story opens is within a few hundred yards of our Home Office]

2nd As the home of
GLENS FALLS INSURANCE CO.

[Which here was founded, in 1849, and has spread the name of its home city around the earth]



3rd As the **"GATEWAY TO
 VACATION-LAND"**

[The automobile highway to some of the finest scenery and most delightful resorts in the Adirondacks leads past our door]

All insurance people will find our "latchstring on the outside" when passing through Glens Falls

"Old and Tried"

Glens Falls

INSURANCE COMPANY
 GLENS FALLS, N. Y.

Founded in 1849

E. W. WEST, Pres.

H. N. DICKINSON, Vice-Pres.

F. M. SMALLEY, Vice-Pres. and Secy.

R. C. CARTER, Treas.

R. S. BUDDY, F. L. COWLES, G. P. CRAWFORD, H. W. KNIGHT, Secretaries

H. W. COWLES, G. S. JAMISON, Asst. Secretaries

The National Underwriter

Thirty-first Year, No. 28

CHICAGO, CINCINNATI AND NEW YORK, THURSDAY, JULY 14, 1927

\$4.00 Per Year, 20 Cents a Copy

CHICAGO BOARD WILL VOTE ON AMENDMENTS

Would Govern Commissions Paid
to Class 2, 3 and 4

Members

APPROVAL ANTICIPATED

Proposals Are Considered Start in
Right Direction by Those Who
See Need of Change

NEW YORK, July 13.—Eastern company officials considered the proposed changes in the rules of the Chicago Board at an informal meeting here last night, the gathering being called by R. M. Bissell, president of the Hartford Fire and of the Eastern Underwriters Association. There was a thorough discussion of the changes that have been suggested. The meeting was purely one for information and the free exchange of opinion. Executives in the east were interested in determining what effect on the country as a whole the adoption of the Chicago Board rules might have.

Charles W. Higley, president of the Hanover, and W. L. Lerch, assistant manager of the Royal, were the only company officials from the west in attendance, and surprise was expressed that others from Chicago were not on hand. The eastern company officials present were: Ralph B. Ives, president Aetna; James Swinnerton, vice-president America Fire group; George C. Long, Jr., vice-president Phoenix of Hartford group; C. A. Ludlum and John A. Campbell, vice-presidents Home fleet; H. A. Smith, president National of Hartford; B. M. Culver and W. L. Steele, vice-presidents Niagara; Hart Darlington, United States manager Norwich Union; C. A. Nottingham, sub-manager Liverpool & London & Globe, and O. E. Schaeffer, president, and H. H. Clifton, vice-president Westchester.

On Thursday of this week at the regular quarterly meeting of the Chicago Board the members will vote on the proposed amendment to the constitution and by-laws governing commission and brokerage rules and the eligibility of members. These changes are designed primarily to bring Class 2, 3 and 4 members under the regulation of the board so far as the payment of brokerage and commission is concerned, and also as to their eligibility for membership. Until now the board has had no enforceable rules governing this portion of its membership. If the rules are favorably voted upon this week they will become effective not later than July 25.

Much Comment Aroused

These proposed revisions of rules have caused a great deal of comment, owing principally to the fact that Class 3 or full time brokers are placed on the same commission scale as the Class 2 or outlying agents, the commission being 15, 20 and 25. The Class 3 members or brokers are permitted to write business anywhere in Cook county while Class 2 agents are limited strictly to

REDUCTION IN FIRE LOSS CONTINUES; HALF YEAR TOTAL IS \$52,867,700 LOWER

THE losses by fire in the United States and Canada in June, as compiled by the New York "Journal of Commerce," aggregated \$25,481,200 as compared with \$28,676,000 charged against the same month last year. One of the features of last month's record was the serious warehouse losses in New York city. The fire waste for the first half of the year totaled \$176,918,000 as compared with \$228,785,700 for the same months the previous year, a reduction of \$52,867,700.

The June fires of this year included 242 outbreaks, each of which resulted in property damage of \$10,000 or over.

The continued improvement registered throughout the first half of the present year is shown by the following comparative table of the monthly fire losses:

	1925	1926	1927
Jan.	\$ 41,210,400	\$ 41,118,750	\$ 37,910,600
Feb.	32,472,000	30,963,750	26,285,000
March	33,346,500	42,854,600	26,807,600
April	37,696,800	52,408,400	39,720,600
May	29,170,800	32,764,200	20,713,000
June	23,650,000	28,676,000	25,481,200
Tot.	\$197,547,300	\$228,785,700	\$176,918,000

the writing of business in their own territory.

Out of all of the discussions of the plans that have taken place it is apparent that there are two big issues: The argument that the plan is probably faulty because it does not regulate Class 1 commissions and is not sufficiently comprehensive and the contention that by placing brokers on the same commission basis as Class 2 agents, the business now written by the Class 2 agents will gravitate to the brokers, a thing to be avoided. Unquestionably, however, the big contention is over the Class 2 business which, with nearly all companies, has been most profitable and is regarded by many as the best business written in Cook county.

Difficulties Are Cited

Manager Ernest Palmer of the Chicago Board declares that as the business is now conducted it is virtually impossible to try to regulate Class 1 agents in the same manner as it is now proposed to regulate Class 2, 3 and 4. He points out, for illustration, that 25 companies are maintaining city offices through which business may be placed by brokers and are at the same time operating through Class 1 agents. They are thus in direct competition with their own Class 1 agents. Should any attempt be made to set down fixed rules governing Class 1 agents, the city offices would have a decided advantage in that they would be able to operate under restricted rules that would not be liberal enough to permit the regular Class 1 agents to live at a profit.

Class 1 Agents Vary

Mr. Palmer argues that at the present time there is no such thing as a typical Class 1 agent. There are the 25 city offices that he has described, and then there is a marked difference between the remaining Class 1 agents. Some Class 1 agents, such as Brummel Brothers and Eliel & Loeb, are managing a number of small companies in Cook county and yet they are being paid only the same Class 1 scale of commission that is given to very much smaller offices which are devoted entirely to the business of producing business, whereas Brummel Brothers and Eliel & Loeb have underwriting and supervisory duties that call for a high order of ability. Should the small Class 1 agent receive exactly the same scale of commission as such offices as Brummel Brothers and Eliel & Loeb? Mr. Palmer believes that until all Class 1 agents are actually the same in makeup

and in the character of their duties, no regulations that would be imposed could be fair to everyone. He points out that a broker is a broker and that a Class 2 agent is a Class 2 agent, and there is very little difference between them, as they are all devoted entirely to the production of business, whereas there is a decided difference between the character of the various Class 1 members, and hence any rules designed to place all Class 1 members on precisely the same basis would work injustices all along the line.

Believed Proper Step

There seem to be many who agree with this view, because most of those who are going to vote in favor of the new rules will do so with the thought that at least the new rules are a step in the right direction and even though they do not include the regulation of Class 1 agents they nevertheless bring the other classes of membership under enforceable rules and this, it is contended, will be better than the present state of affairs.

Provide System of Penalties

One of the interesting features of the new rules is the section providing that if a company is found guilty of paying its Class 2 agents more than the prescribed scale it may be fined \$500 for the first offense, \$1,000 for the second and \$2,000 and expulsion from the board for the third. At the present time there are some companies that are known to be paying excess commissions to their Class 2 agents. These companies have successfully raided the long established agencies of other companies which refuse to pay more than the regular scale. The companies which have been losing their business to the excess commission payers have been powerless to do anything about it. They have known the agencies in which excess commissions were being paid, and even the amount of the commissions, but they have not been able to get action because no rules existed which would permit them to take steps to remove this evil. Under the new rules every company must agree to allow a Chicago Board investigator to examine it and the agency books, and if a violation of the rules is established the fine will be imposed at once by the manager. This means that numerous companies that now know where excess commissions are being paid can see to it that reports of these cases are made and fines imposed. Even the recipient of excess commission must pay a fine of

(CONTINUED ON PAGE 28)

MUCH MUST BE DONE TO CUT DOWN DANGER

Insurance Companies Not "Keen"
to Write Airplanes at
Present Stage

NEED MORE EXPERIENCE

Underwriters Feel That Hazards Will
Have to Be Reduced Before In-
demnity Can Be Given

The recent revival in aircraft activity started by the successful flight of Colonel Lindbergh from New York to Paris has undoubtedly stimulated great interest in airplanes and has caused many people to speculate as to the possibility of employing air machines far more freely than now for commercial purposes. Colonel Lindbergh demonstrated the fact that it was possible for a motor to run constantly for 33 hours or more provided it had fuel and oil. The public has received the impression of the dangers of flying because all the accidents are chronicled. It is felt that considerable more experimenting will have to be done before the people at large will support aerial projects.

Successful in Mail Carrying

As a matter of fact in the carrying of mail there have been very few accidents in comparison with the work done. Where a machine is well constructed and ably handled there is not so much danger. The public mind, however, sees the danger and has that factor prominently at hand. Until it is demonstrated that passengers and freight can be carried safely without much danger of physical injury or death, people will hesitate to patronize the air routes. However, it is expected that within a few years travel by air will be common and that there will be well established routes throughout the country. Germany has done much in this direction, in fact more so than any other country since the war. The San Francisco to Chicago passenger route was established recently.

Timid About Writing Airplanes

Insurance men are still pretty timid about writing airplane business. The facilities at present are very limited. The feeling among underwriters is that with the present experience they are not justified in assuming liability. Airplane owners and operators will want fire, liability, property damage and collision insurance. Probably the main line sought for will be fire and collision resulting in damage if the airplane is damaged by a forced landing or by coming in contact with other objects. Underwriters feel that while great strides have been made in recent days making the airplane a practical method of transportation yet the time has not come to risk too much until there is greater stability in aircraft.

One underwriter in the east comment-
(CONTINUED ON PAGE 10)

HOPE FOR SOLUTION ON FINANCE BUSINESS

PROSPECTS ARE NOT BRIGHT

Insurance Profits Too Big a Factor for Lending Institutions to Give Up Commissions

NEW YORK, July 13.—Pressed on the one hand by local agents who are demanding that a single interest form of fire and theft cover be devised and faced on the other by the determined opposition of motor car manufacturers and finance companies to any departure from the present practice of writing double interest policies, automobile underwriters are in anything but an enviable position at this time. They are hoping that the governing committee of the National Automobile Underwriters Conference, which is scheduled to meet July 20, will offer a practical solution of the vexatious problem that will prove acceptable to all parties at interest.

Big Profit to Finance Companies

Frankly, however, grave doubt is expressed that this will be done. Under existing practice financing companies receive anywhere from 20 percent commission up from their insurance writings, the revenue from this source being estimated at close to 75 percent of their total profits, and hence they will not surrender the income without the stiffest sort of a fight.

Agents contend that the finance companies should confine their operations to insuring their equity in time purchased cars, permitting the owners to protect their interest through local channels; confident that if this were done the agents would be favored with the great bulk of the latter business.

The National Association of Insurance Agents is squarely upon record as favoring such a program, Walter H. Bennett, secretary of the organization, having so counseled at various state association meetings during the past few months. Other members of the National body have also spoken to the same end.

Losses Had on National Lines

It has long been asserted that there was little if any profit to be had from the accounts of the national automobile financing companies, while on the other hand those of the local institutions are held in high favor and are eagerly competed for by fire companies writing finance business. The explanation is that whereas the local institutions carefully scrutinize all requests for loans from prospective car purchasers, granting credit only to those of whom they approve after rigid investigation, and demanding as well the endorsement of the local automobile dealer upon recourse paper, national financing concerns are far more liberal in extending credit, with the result that they get an adverse selection of clients.

Find Laxity Continues

Companies writing the latter class of risks and retaining the right of individual risk rejections, admit that the number of undesirable offerings through such sources is growing steadily, indicating continued laxity on the part of the national financing organizations in their choice of business.

Tourists Create Hazard

Some of the observing underwriters have noticed the increasing number of school house losses that can be traced directly to automobile tourists. These losses come from rural districts or small towns. Tourists will camp in a school yard in order to be near a well of water and to have a comfortable place to spend the night. If a storm comes up the tourists get into the school house by some hook or crook and through carelessness have caused a number of fires. This is a new hazard that has not been noted until the last year or so.

RUSS STUDIES NEW YORK ADJUSTMENT SITUATION

FINDS LAXITY IN PRACTICES

National Board Is Seeking to Improve Conditions in Determination of Amounts of Losses

NEW YORK, July 13.—Since becoming connected with the National Board some weeks ago, Harvey W. Russ, formerly assistant general manager of the General Adjustment Bureau, and admittedly one of the most competent men in his line in the entire country, has been making an intensive study of loss adjusting conditions in this city. He will conclude this work before taking up the situations in other cities.

Appreciating the need for putting their own house in order before undertaking reforms in other connections, company officials decided to make the matter of adjustments the first point of attack. Wilfred Kurth, during his two years of service as president of the National Board, insisted upon such action. That the reformation might be as complete as possible, the services of Mr. Russ were secured, with the understanding that he was to make a complete diagnosis of conditions, learning the weaknesses in existing practice and suggesting measures for their correction. Mr. Russ has been going about his task systematically, interviewing adjusters, local agents and company officials, and getting their separate viewpoints. What he has unearthed and what changes he may propose will be disclosed later when he makes report to the committee on adjustments of the governing organization.

Chicago Plan Effective

The New York Board has been trying for years to deal effectively with the adjusting question here, while in Chicago a special bureau was formed by the companies for handling claims in Cook county, with satisfactory results. In the stress of competition for premiums, laxity has grown up in the handling of claims, for which companies and local agents are responsible in equal degree. The conviction is now held that too great freedom in claim settlements, instead of impressing the majority of property-owners and inducing a kindly feeling upon their part toward insurance corporations, has had quite the contrary effect, impelling the thought that their affairs are loosely managed and hence the companies are easy marks for those in need of ready money.

COMMITTEE CHAIRMEN NAMED

F. R. Daniel, W. D. Milne and R. E. Vernor Head Groups Working for Benefit of National Association

Frank R. Daniel of the Wisconsin Inspection Bureau and William D. Milne of the Underwriters Bureau of New England have been appointed chairmen of committees of the National Fire Protection Association—Mr. Daniel becoming chairman of the committee on field practice and Mr. Milne chairman of the committee on manufacturing risks and special hazards. Richard E. Vernor of the Western Actuarial Bureau has been appointed chairman of the committee on visual education, a new body set up for the purpose of coordinating fire prevention educational work and for encouraging and directing the production of fire prevention motion pictures.

The committee on field practice is concerned with regulations on standpipe and hose systems, hose houses for mill yards, outside protection, first aid fire appliances and similar matters. The committee on manufacturing risks and special hazards is concerned with regulating paint spraying and spray booths, finishing processes, foam extinguisher systems and related matters. The

BRITISH COMPANIES SHOW FAIR PROFIT

FIGURES ON BUSINESS GIVEN

Gains Made by Most Companies Are Added to Accumulated Funds to Care for Future Contingencies

Figures just published by the "Policyholder" of Manchester, Eng., show that in 1926 the British fire companies made a profit of between 6 and 7 percent. The trading profit of 39 tariff companies for the year was £4,072,137, or 7.1 percent of turnover. The trading profit made by 14 non-tariff companies was £158,655, or 6.3 percent. It is reported of most companies that the profits have not been disbursed, but in most cases have been added to the accumulated funds as additional safeguards against future contingencies. The figures for the tariff and non-tariff companies are as follows:

Tariff	Premiums less re-insurances	Claims paid and outstanding	Per cent
Alliance	£1,998,350	708,559	35.4
Atlas	2,251,133	1,073,798	47.7
Caledonia	926,056	486,852	52.5
Century	308,332	173,345	56.2
Com'l Un.	8,993,348	4,768,677	53.0
Economic	170,598	80,339	47.1
Employers' Lia.	397,445	197,754	49.7
Fine Art & Gen.	372,395	176,903	47.5
Gresham Fire	203,387	117,139	57.6
Guardian	1,094,961	508,793	46.4
Guardian East.	63,965	39,501	61.7
Legal & Gen.	146,745	96,656	65.8
Licenses & Gen.	135,361	71,139	52.5
Liv. & L. & G.	4,776,631	2,562,982	53.6
London & Lanc.	3,318,088	1,534,847	46.2
Lon. Assd. Re.	358,608	202,664	56.7
London Assur.	1,839,211	909,351	49.4
Merchants' Mar.	64,307	31,766	49.4
Motor Union	313,524	199,470	63.6
N. Brit. & M.	4,297,903	2,121,832	49.3
Northern	2,837,793	1,463,873	51.5
Norwich Union	2,223,397	1,112,919	50.0
Pearl	400,666	227,049	56.6
Phoenix	3,277,944	1,678,679	51.2
Prudential	529,594	249,199	47.0
Royal	6,323,149	3,365,349	53.2
Royal Exch.	1,859,258	729,063	39.3
Roy. Lon. Mut.	56,335	19,452	34.5
Scottish Insur.	77,783	46,387	59.9
Scot. Un. & N.	1,279,716	619,643	48.4
Sea Insurance	130,489	53,651	41.1
State	679,655	352,157	51.8
Sun Fire	2,531,293	1,131,368	44.6
Treaty Reins.	524,294	305,176	58.1
United British	212,725	133,917	62.9
West. Austral.	26,902	13,395	52.5
West of Scot.	221,227	123,351	55.7
World Aux.	197,670	89,397	45.2
Yorkshire	1,081,296	563,183	52.0
Totals	£56,676,407	£28,162,476	49.7

Non-Tariff	Premiums less re-insurances	Claims paid and outstanding	Per cent
Absters. & Gen.	13,503	4,172	30.9
Brit. & Europ.	82,708	54,111	65.4
British Oak	147,205	78,774	53.5
Co-operative	193,047	59,636	30.8
Cornhill	103,823	57,311	55.2
Dominion Ins.	1,475	259	17.5
Eagle Star & British P.	1,070,586	578,277	54.0
Farmers' Com.	4,788	1,441	30.1
Gen. Accident	661,522	260,303	39.3
Mid. Mut. Fire	461	35	7.6
Nat. Emplers'	3,680	1,108	30.1
Nat. Fars' Un.	68,058	33,375	49.0
Provincial	134,790	51,410	38.1
Urban Fire	17,134	9,213	53.8
Totals	£2,502,780	£1,189,425	47.5

committee is preparing an educational booklet on the hazard accompanying the use of paints, varnishes and pyroxylin lacquers.

Hail Experience Spotted

Companies writing hail insurance on growing crops find that the experience so far this year has been spotted. The loss ratio in Kansas and Oklahoma ran upwards of 100 percent for almost all companies. Texas came out fairly well and so did Colorado. Nebraska will break even or a little better. The storms that have occurred this year have been severe. There has not been so much damage in the northwest. Some companies are hoping to extract a profit from the business this year if they have fairly good luck in the northwestern states. The adjusting situation is improving.

ALTERED COMMISSION SCALE IS ADOPTED

EASTERN ASSOCIATION ACTS

Underwriters' Organization Agrees on System for Compensating Agents in Buffalo District

NEW YORK, July 13.—Following a meeting of the executive committee of the Eastern Underwriters Association here yesterday, a general gathering of the organization was held. More than 75 companies were represented by executives, who evidenced their interest in the body and their determination to support its program. The report of the Buffalo committee, first of the excepted committees to submit a concrete result of its efforts, was adopted. Reports by other of the large city committees are to be made soon.

The new commission scale agreed on for Buffalo allows 20 percent commission for business in the congested area and 30 percent on preferred risks, plus 10 percent on earned contingent for the city, together with a much enlarged congested value district.

Outlying Territory Scaled

The remaining territory under the jurisdiction of the Buffalo association, the townships of Tonawanda and Wheatfield (including the cities of Tonawanda and North Tonawanda) were granted a commission of 20 percent plus 10 percent contingent instead of the 20 percent and 30 percent plus 5 percent (on flat basis) contingent previously obtaining. This action is in conformity with the unanimous vote recently taken by the Buffalo association.

Much favorable comment was expressed at the meeting by company men regarding the attitude of the Buffalo agents, which was constructive to a high degree. Under the new plan of compensation, which becomes operative Dec. 1 next, there will be a material reduction in the cost of acquiring business.

E. W. West, president of the Glen Falls, is chairman of the Buffalo committee of the association. His associates thereon are Frank E. Burke, vice-president Home; J. A. Cosmus, vice-president Connecticut; J. H. Packard, United States manager London Assurance; Norman T. Robertson, vice-president National Liberty; E. J. Sloan, vice-president Aetna; J. H. Vreeland, United States manager Scottish Union & National, and Charles H. Yunker, president Milwaukee Mechanics.

It was expected that the report for the committee on general agencies would be adopted. But as this would involve a change in the constitution and by-laws of the association, the matter was laid over under the rules for action at the next general meeting.

Texas Department Hand Book

Handbooks containing a certified list of all companies and corporations under the jurisdiction of the state insurance commission will be available Sept. 1. Commissioner R. L. Daniel is compiling the data for the publication. This year there are approximately 1,200 companies, including fire, life, and accident insurance, building and loan associations, local mutual aid and trust companies under the department.

Licenses have been issued to 603 fire, life, and accident companies in Texas so far this year.

Officials on Vacation Trips

Vice-President D. E. Monroe of the American Central is spending July at the Edgewater Beach Hotel in Chicago. At the end of the month President B. G. Chapman and his family will leave for a trip to the Pacific Coast.

MEN OF ABILITY ARE NEEDED IN INSURANCE

Great Opportunity Exists for Those Who Can Meet Standards

CHALLENGE IS OFFERED

Business Requires Strong Leaders to Solve Many Problems and Surmount Discouraging Obstacles

NEW YORK, July 13.—Probably at no other period in the history of fire underwriting in this country has there been greater need for skilled effort upon the part of field men and of company executives than at present. Those measuring up to required standards are assured of a bright future, while all others will be sidetracked. It is a question of the survival of the fittest, and the test is a hard one. It is perhaps trite to note that the period preceding and during the participation of the United States in the world war was the golden era of American fire underwriting. Business was to be had in ample volume and losses were comparatively light. Merchants and manufacturers for the most part were making money and lots of it, and the last thing they wanted was the burning of their productive stores or factories. It was easy to underwrite in those days, all that was required being avoidance of too great a congestion of liability.

War Followed by Depression

With the cessation of hostilities, however, came a marked change in economic conditions. Plants built especially to manufacture war supplies or converted to such use from other purposes, were largely rendered obsolete and became a drug on the market. Wage reductions and, to a considerable degree, loss of employment curtailed the buying power of the public, and merchants found themselves stocked with high priced goods not easily marketable. As a natural corollary, fires increased, unquestionably in many cases due to moral hazard. Companies that had written business too freely, loading up with lines far larger than they had previously dreamed of accepting, paid the penalty in heavy losses, the results of which in some cases might have proved serious had it not been for the fortunate appreciation in the value of securities.

Underwriting Was Restricted

Realizing the menace of the policy they had followed, officials determined to correct it and resolutely set about to that end. Classifications and lines were drastically overhauled and a revised underwriting program undertaken. While helpful to a degree, this change in policy created new complications, compelling as it did the exercise of extreme care in the selection of risks and the rejection of those not measuring up to standards. Agents that previously had their business eagerly sought found extreme difficulty in getting coverage for many of their lines. The curtailment of acceptances by the larger corporations afforded agency openings for smaller companies, but these had to be upon their guard constantly lest they be loaded up with hazardous lines. A sloughing off in the general business of the country, with its accompanying reduction in premium income, made more difficult the competition for risks of the right character.

Turn to Sidelines

When the reduction in general fire premiums became pronounced, some company heads urged their agents to

BETTER REGULATORY LAW FOR LLOYDS IN ILLINOIS

BROUGHT UNDER DEPARTMENT

All Kinds of Insurance Covered—Reserves to Be Required, but Underwriters Not Protected

Lloyds organizations of all kinds in Illinois are brought under the supervision of the insurance department by a measure passed by the recent legislature which has become law. It is known as house bill No. 516. Heretofore the Illinois law on Lloyds has applied only to fire and allied lines. The new law applies to every kind of insurance except life and the granting of annuities, which latter two forms are forbidden to Lloyds by the new act, and establishes a somewhat stricter control.

Department Now Controls

In the past a scandalous situation has often arisen because of the fact that the insurance department had no supervision over Lloyds writing casualty and other kinds of insurance. Now all Lloyds are brought completely under the supervision of the insurance department and "shall be subject to the same statutory requirements, supervision and taxes (except as to capital stock and deposits) so far as applicable, as are by law imposed on stock insurance companies."

Weakness in New Law

A weakness in the new Lloyds law is that commissions may be deducted before calculating the reinsurance reserve. Full reserves for all other liabilities, including losses and claims, are required. Financial statements are required annually, or more frequently if demanded by the insurance department. Each Lloyds is required to maintain an office in the state of Illinois and to operate through a resident attorney-in-fact. In case of suit by a claimant, service of process may be had on the attorney-in-fact, or on the director of trade and commerce, or in any other way upon the individual underwriters.

Underwriters Not Protected

Protection for underwriters in Lloyds organizations is ignored in the new act. Experience has shown that the underwriters are at the mercy of the attorney-in-fact. For instance, it was found in a recent failure that the guarantee funds put up by the underwriters had completely disappeared, although the attorney-in-fact had no right to use them except for losses, and the losses were amply covered by the premiums. Most Lloyds agreements provide that the guarantee funds shall be held by a trust company, but there is a joker requiring the trust company to surrender them to the attorney-in-fact. The agreements also provide that the guarantee funds shall be used only for payment of losses, but the new Lloyds law gives no protection on this point and the funds may be misused and dissipated, as they have been in the past.

develop sidelines. They pointed out especially the possibilities that lay in rental insurance, a division of indemnity that might readily be sold in conjunction with the straight fire cover, and to which little attention has been devoted thus far.

Unite to Get Reduced Rate

The Blue Goose and the American Life Convention, which hold their annual meetings in Dallas, Tex., the same week, have united to secure the reduced railroad fare of one and one-half fare for their meetings. The grand nest meeting of the Blue Goose will be held Oct. 25-27, while the American Life Convention meeting will be Oct. 26-28.

Secretary Claris Adams, of the American Life Convention, and Paul E. Rudd, grand wielder of the Blue Goose, are in

OHIO FIELD MEN HOLD MEETING AT CEDAR POINT

CONDUCT VARIOUS SESSIONS

Several Out-of-Town Visitors Are Present at Gathering Held at Well-Known Resort

BY RALPH E. RICHMAN

An address by Congressman James I. Begg, of Sandusky, prospective Republican candidate for governor of Ohio, was the headliner at the annual Cedar Point meeting of Ohio field men last Wednesday. Mr. Begg is well and favorably known among insurance men in the state. He discussed foreign relations and their bearing on future American prosperity, maintaining that a larger foreign export trade is a necessity if American standards of living are to be kept at their present level. Mr. Begg spoke before a joint session of Union and Bureau field men.

Urges Publicity Work

At the Union meeting preceding the joint session, J. C. Qualmann, special agent of the Queen, and H. S. Goodwin, special agent of the Travelers, were admitted to membership in the Union organizations. The resignations of Charles F. Tharp and S. W. Lively were accepted. George B. Muldaur, representative of the Underwriters Laboratories, spoke briefly, thanking the Ohio field men for their co-operation with that institution and urging them to make the work of the laboratories better known among Ohio citizens. He said that the laboratories issued 700,000,000 labels last year.

President John Neuberger called for remarks from visitors present, including George B. Sedgwick of the western department of the Great American, and John Rygel of the western department of the Hanover, both former field men in Ohio and now residents of Chicago. James F. Joseph of the Western Union told of the successful operation of the balance rule in western territory, citing specific cases to illustrate the value of the rule for both companies and agencies. The new chairman of the executive and clearance committees, H. H. Chittendon and Ralph Leam, made their first reports as heads of these committees.

Belcher Addresses Bureau Men

Rudolph Belcher, manager of the Western Insurance Bureau, spoke at length before the Bureau meeting. Ray R. Dillon, state agent of the National Ben Franklin, was made a member of the Bureau organization. The resignation of Charles W. Kimmel was accepted.

A meeting of the executive committee of the Ohio Fire Prevention Association was held Wednesday evening at which R. E. Vernor, manager of the fire prevention department of the Western Acturial Bureau, was present. The Blue Goose dance also took place Wednesday evening. Golf and bridge parties served to entertain the field men and their families Wednesday afternoon and Thursday.

Ivan Riedinger, former state agent of the Fire Association in Ohio, was a visitor at the Cedar Point meeting of Ohio field men. Mr. Riedinger is now local agent at Sebring, Fla. He is one of a number of Ohio insurance men now in the same business in Florida.

Will Meet in Cincinnati

The next meeting of the field men and the Blue Goose will be held in Cincinnati Sept. 6. The field club meeting will be held in the morning. In the afternoon and evening the Blue Goose initiation and party will be held at Cody's, across the river.

communication with each other about the reduced fare, and will strive to bring it about with the railroads.

LAKE MARINE BUSINESS NO LONGER PROFITABLE

Low Rates, Competition and High Expenses Combine to Cut Gains

SEEK CORRECTIVE ACTION

Underwriters Do Not See How These Lines Can Be Written on Present Basis

Inadequate rates, excessive competition and high expenses have whittled the once profitable marine business of the Great Lakes to the vanishing point and it remains to be seen how much longer existing conditions will be permitted to continue before corrective action is taken by the companies. The chief cargoes shipped via the lake routes are iron ore, coal, grain and automobiles; the first two named being transported in the main by vessels owned by the United States Steel Corporation, upon which no insurance is carried, the sinking fund of the corporation having reached such proportions in the opinion of its management as to justify self-insurance.

Competition Is Still

Lake business is eagerly competed for by representatives of American and British stock companies and of London Lloyds, while the opinion prevails that German institutions are granting considerable coverage, if not directly, then through the medium of reinsurance. Prior to 1920 coverage upon lake cargoes was placed almost wholly by vessel agents, who in procuring vessel space for shippers demanded as part of the consideration that they be given the insurance thereon. This practice, followed for nearly 40 years, was discontinued in 1924 when the Canadian government, at the behest of the farmers of that country who inveighed bitterly against what they termed the high rates of insurance they were compelled to pay for coverage upon their grain shipments, forbade agents serving in the dual capacity, since which time the vessel men have restricted their activity to selling cargo space, while the insurance has been placed through the medium of authorized insurance agents and brokers.

Rates Were Cut

Coal and ore shipments were carried from point of embarkation to port of delivery, usually from Duluth to Buffalo, at a rate of 5 cents, and when the Canadian regulation was enforced a number of offices began writing grain at the same low figure, pledging as well to guarantee weights at both centers. That is, they stipulated that weighers would be employed to check weights so that there would be no challenge of quantities either by shipper or recipient. This service is a most expensive one to maintain and cuts a deep hole in the premium income, leaving a slight margin with which to meet losses. As little profit was to be made out of the business under the former practice, all chance of gain, underwriters assert, has been eliminated under the existing far more expensive procedure.

Loss on Auto Business

The shipment of automobiles by the water instead of all-rail routes as was once common, has developed largely during the past seven years, reaching a point in fact that a number of vessels have been constructed especially to accommodate this class of freight, because of the excessive number of claims filed for damages to machines while being run on and off the vessels, automobile

business has lost the attraction to marine underwriters it once possessed, and while lines of this character are still freely written they are not solicited with particular eagerness. Company men see little hope of improvement in the lake insurance situation unless agreement be reached as to rates and underwriting practices by the American and British companies and London Lloyds, and maintain that the time to get together is before certain of the offices of continental Europe, credited with a desire to enter the arena actively, do so. While there has been talk of associated effort, nothing definite has been done in such direction. The loss record of the past year, while not so heavy as that of 1925, had little of encouragement for the underwriters.

MONTREAL ACTIVE IN RACE FOR BLUE GOOSE MEETING

Montreal is making a strong play to swing the 1928 grand nest meeting of the Blue Goose to that city, and members of the Quebec pond will be in force when the 1927 grand nest convenes at Dallas in October to convince the delegates that they should go to Montreal next year.

One of the strongest arguments which will be presented is that it would be a splendid tribute to Tom L. Geraghty if the 1928 meeting were held at Montreal. Mr. Geraghty is now grand supervisor of the flock and will succeed to the office of most loyal grand gander at the Dallas meeting.

Although Grand Supervisor Geraghty has been in Philadelphia for several months, he still holds his membership in the Quebec pond and is considered Canada's representative on the grand nest. A concerted promotional campaign will probably be started by Quebec pond in a short time to secure support in obtaining the 1928 meeting.

A number of other cities are tentative candidates for the 1928 meeting, although none of them have come out actively for it yet. Detroit, which tried to get the 1927 meeting, will probably be in the running again this year, as will eastern cities.

Miller Sends Out Air Log

With the compliments of Chauncey S. S. Miller, publicity manager of the North British group, copies of the 1927 Air Log have been sent out, containing a complete list of sending stations, together with the wave length of each as designated by the Federal Radio Commission, as well as easily observed suggestions for correcting trouble with radio sets.

Presentation to Barr

INDIANAPOLIS, July 12.—The Fire Underwriters Association of Indiana on Monday presented Herbert L. Barr, who is leaving the field as state agent of the North America to go with the Gregory & Appel local agency in Indianapolis, with a handsome golf outfit—eight Kro-Flite registered iron clubs, two Kro-Flite registered wood clubs and a golf bag. Ernest M. Sellers of the Indiana Inspection Bureau, in making the presentation, said that the gift was made in the hope that Mr. Barr could improve his game. Mr. Barr has held a leading place in field work activities in Indiana and his contribution to the general welfare of the business is recognized by all his associates.

Plan Compliance With Texas Law

AUSTIN, TEX., July 13.—H. P. Stellwagen, secretary of the National Bureau of Casualty & Surety Underwriters, and J. Ross Moore, manager of the National Automobile Underwriters Conference, are in the city studying the new automobile insurance rate law and arranging for compliance with its provisions. The legislature failed to make appropriation for its operation, and it was suggested to the companies that they furnish the necessary funds. As they already pay heavy taxes here, they failed to see why they should be asked to make further contribution to maintain a service not of their creation, and in the operation of which they would have no voice.

R. Y. Sketch Heads Chartered Insurance Institute of England

R. Y. SKETCH, general manager of the Phoenix Assurance, was elected president of the Chartered Insurance Institute of Great Britain at its recent annual meeting. Years ago when Mr. Sketch was manager of the Ocean Accident & Guarantee for South Africa with headquarters at Cape Town, he was elected president of the Cape Town Institute. Later, when he became general manager of the Norwich Union Fire, he



R. Y. SKETCH
General Manager Phoenix Assurance

was president of the Norwich Insurance Institute and more recently he was president of the London Insurance Institute. A writer in the "Policyholder" of Manchester, who attended the recent institute meeting, characterized Mr. Sketch as follows:

"Unpretentious, downright, forcible, and yet with a priceless gift of humor, and a vast fund of sympathy where sympathy isn't wasted. That is my first impression of Mr. Sketch. Never a man carried his character more honestly in his face than Mr. Sketch. Void of humbug, a sure friend, a highly destructive enemy, essentially a man's man, with a lot of the schoolboy still surviving. A man born to pit nervously yet stubbornly his native wit and perseverance against all opposites. And a man confident of success."

Elephant Cause of a Novel Collision Claim Paid by the Aetna

THE Aetna paid a collision claim on an automobile in an Indiana town the other day that was caused in a novel manner. A man had driven a Ford to a town where a circus was performing. He got mired in the mud off the road. One of the keepers of the elephants was taking an animal to its tent when he saw the predicament of the Ford driver. He got the elephant back of the Ford and the animal pushed the automobile out on the road with its head. There was a high spot in the road where the Ford landed. The elephant then withdrew and the Ford began to come back toward the elephant. It again put its head down to stop the car, resulting in the back of the Ford being caved in. The owner therefore put in his collision claim and it was paid.

MUCH MUST BE DONE TO CUT DOWN DANGER

(CONTINUED FROM PAGE 7)

ing on the situation said that his company had been watching the progress and development of this industry for several years past. It touches airplane insurance, however, very gingerly at present. The officers do not feel that the time is quite ripe to embark in the field to any serious extent. He adds that when there are more properly organized landing fields in this country as the first step, and still further improvements in the airplane itself as a second, then undoubtedly the insurance companies will feel that it is time for them to come in and meet the commercial demands.

View of Casualty President

One of the casualty presidents states that he has no doubt but that the airplanes will develop commercially in a rapid way. As a passenger carrying venture he states it will enlarge its usefulness very much indeed during the next few years. Until, however, there can be obtained more or less fixed or determined conditions as to safety, the insurance companies will not care to toy with fate. He feels, however, that when the time comes the insurance companies will be ready to meet the situation.

Casualty Official's Comment

Another casualty president makes this comment: "The machine is being slowly and steadily perfected in the direction of a safe means of travel. It has not as yet reached the point where companies can issue insurance to habitual users of airplanes except in a very limited amount and for an extra premium, if at all.

While we must admit that safety in flight has made remarkable strides in the past few years, just how they are going to overcome the condition that defects in machinery or fuel are so frequently followed by death or very serious injury I cannot foresee. Yet I believe they will do it in the end.

Sees But Little Hazard

"When you get beyond the individual engaged in the business of flying and those amateurs who own airplanes and engage in flying for sport, I believe that the machine is now so perfected that the occasional risk of passengers flying from one place to another in machines of regularly established air lines creates no special hazard which it is necessary for an insurance company to take into account and provide against by exclusion clauses in policies. That is to say, that if you should decide to come from Chicago to New York in the airplane of a regularly established line, or, if you were abroad, you decided to fly from London to Paris, or from some other place to some other place, we can safely cover you without additional premium.

Danger to Amateur Flyers

"But if you are going to turn air-pilot or keep a machine in your backyard to use Saturday afternoons and Sundays, the probabilities of your coming to grief within a comparatively short period are still too great for us to care to insure you.

"All of which means, I think, that both you and I will live to see the day when insurance companies will take no more account of airplane use than they do of automobile use. To be sure, the automobile is creating havoc today, and perhaps the distinction is that in a given number of automobile accidents the number of deaths and serious injuries are far less than would be the case in the same number of airplane accidents. What I intend to convey to you is that the airplane hazard is one of the things that time is going to heal—period of time unknown."

The Chamber of Commerce of the United States at Washington has for some months past been gathering data on airplanes and the aircraft industry and will make a report on the subject. The research work is far from being completed, and it will be some time before it will be ready for publication.

NO ACTION TAKEN ON SUCCESSOR TO MADDEN

WASHINGTON, July 13.—Organization matters of pressing importance were taken up for discussion at a meeting Monday between Lewis E. Pierson, president, and resident officials of the United States Chamber of Commerce, but a successor to James L. Madden as superintendent of the insurance department was not considered, it was declared following the conference.

It is understood that a successor to Mr. Madden was to have been discussed, but other business of more pressing importance required the entire session and the new insurance department head will go over until Mr. Pierson again visits Washington, which is expected to be in the near future.

Threshermen's National to Dissolve

The Threshermen's National of Wisconsin has voted to dissolve the company and reinsure its business following a report by J. R. Lange, associate actuary of the Wisconsin department.

Tokio's Home Office Figures

The Tokio Marine & Fire is one of the large companies of the world. Its head office statement Dec. 31 last shows a paid up capital of \$15,000,000. Its assets were \$74,365,629, as compared with \$70,882,739 the year before. Its total liabilities are \$8,753,293. Its net surplus is \$50,612,334, as compared with \$46,493,901 the year before. The Tokio's large net surplus makes it well ballasted financially.

CONDENSED NEWS OF THE WEEK

Fire losses in the United States and Canada still continue to show reduction for the first six months of 1927. **Page 7**

Chicago Board will vote on important amendments governing commissions paid to Class 2, 3 and 4 members at meeting Thursday. **Page 7**

Interest is aroused by attempt of Western Union to establish definiteness and uniformity in matter of contracts between agents and companies. **Page 9**

Better regulation of Lloyds provided under new Illinois law. **Page 9**

It is expected that the National Automobile Underwriters Conference will look thoroughly into the subject of finance business. **Page 8**

Harvey W. Russ is conducting study of loss adjustment conditions in New York City. **Page 8**

Ohio field men hold meeting at Cedar Point. **Page 9**

United States Fidelity & Guaranty opens London office to write credit insurance on shipments from abroad to American importers. **Page 31**

Eastern Underwriters Association adopts new scale of compensation for agents in Buffalo and the surrounding territory. **Page 8**

British fire companies show fair profit for year 1926. Figures are given. **Page 8**

Wisconsin Bureau compiles experience on minimum rated compensation risks in that state. **Page 31**

Bank burglary situation still of interest to company executives. **Page 32**

Underwriters of the east approve action of the Travelers in discontinuing life indemnity feature of accident contracts. **Page 31**

Casualty and surety companies make study of reserves for incurred but unreported losses. **Page 31**

Surety companies adopt plan to check rebating on contract bonds in Iowa. **Page 33**

Reduction in plate glass rates approved by both governing organizations. **Page 38**

a poor Gamble



MANY people are inclined to "take a chance" with their personal belongings during the vacation period. But in that short space of time, the danger of losing valuable possessions is present every minute of the day and night.

Our agents are showing their clients and prospects the great odds that are against them from the moment they leave home—unless they carry Personal Effects Insurance. In taxicabs, railroad stations, on trains, aboard steamers, buses, at the hotels—everywhere lurks the menace of fire, theft, the perils of transportation. At no other time is a person exposed to loss from so many different risks.

And our agents are proving that no other policy gives as much protection per dollar as Personal Effects Insurance. By stressing the low cost, and explaining the wide limits of the coverage, *anywhere* away from home, they are making a record this year in sales of this insurance.

THE **LIVERPOOL**
AND **LONDON**
AND **GLOBE**
Insurance Co. Ltd.

Western Department
CHICAGO

Southern Department
NEW ORLEANS

Pacific Coast Department
SAN FRANCISCO

Executive Offices: 1 Pershing Square, Park Ave. at 42nd St., New York, N. Y.

THE NATIONAL INSTITUTION WITH A WORLD WIDE BACKGROUND

INTERESTING REPORTS MADE ON AIRCRAFT

SITUATION IN TWO NATIONS

United States Department of Commerce Gives Out Information as to the Insurance Conditions

Some interesting reports have recently come from foreign countries regarding aircraft insurance.

Insurance in Holland covering persons and mail transported by air costs no more than shipped by rail or water, whereas on merchandise shipped by air the rate is lower, according to a report just issued by the United States Department of Commerce. This was based upon a communication received from the American commercial attaché at the Hague, J. F. Van Wickel.

The full text follows:

Names of Companies

"Insurance companies granting air insurance in the Netherlands are the following: Verzekeringsbank 'De Nieuwe Eerste Nederlandsche,' Prinsessogracht 13, The Hague; and Algemeene Maatschappij voor Verzekering tegen Ongeelukken 'Zurich,' Bijkanteer voor Nederland 'Lippmann & Zoon,' Amsterdam and the Hague.

"In regard to air insurance of persons, the limited amount is 100,000 guilders per person (approximately \$40,060). However, a special agreement can be made for a higher amount. The premiums charged on 10,000 guilders in case of death or permanent invalidism are noted below. These same rates are charged on the payment of 10 guilders per day during temporary invalidism.

Rates Are Given

"The rates from Amsterdam or Rotterdam to the following cities are as follows: 6 guilders to Brussels, Essen, Dortmund or Dusseldorf; 8 guilders to Paris, London, Bremen, Hamburg, Mannheim, Frankfurt, Hanover or Cassel; 20 guilders to Copenhagen, Malme, Lyon or Marseilles; and 22.50 guilders to Berlin, Leipzig, Stuttgart, Basel or Zurich. With respect to the insurance of goods a rate of 2½ percent is charged for transporting them from one point to another for a maximum period of 14 days.

Risks Covered

"All risks, excluding theft, are covered by this insurance. The air insurance rate on mail amounts to 25 Dutch cents per 1,000 florins to Paris while the same rate charged for insuring goods also applies for the insurance of precious metals. The air insurance rate on securities amounts to 1¼ percent with a minimum rate of 25 Dutch cents. In comparison with other methods of transportation, such as by rail or water, the insurance rates are about the same for persons and mail while the rate for merchandise is lower, amounting to one-half percent."

Safety in air travel was disclosed in the report of the Deutsche Luft Hansa, according to a statement issued by the Department of Commerce. Accidents in flying during 1926 were reported few and indemnities paid therefore very small.

This report was based upon a communication received from the American consul general at Berlin, Carlton Bailey Hurst. The full text follows:

Text of German Report

"Few accidents in German air service are shown in a Deutsche Luft Hansa report for 1926. There was one death among the 82,932 passengers carried and one among the flying employes and none among the ground employes or others. There were 15 accidents—11 to passengers and four to flying employes. A total of 17,243 Reichsmarks was paid as indemnities for property damages to others. The company reports that it is developing an elaborate safety program and paying particular attention to the construction of safe planes."

CRITICISM OF SINGLE INTEREST FIRE AND THEFT INSURANCE ON AUTOMOBILES

By C. C. HANCH, Chicago

General Manager National Association of Finance Companies

WHEN a person buys an automobile on the installment plan, the price which he has to pay includes the cost of fire and theft insurance, usually covering the period during which the installment payments are to run. The general rule today is that this insurance is for 90 percent of the delivered price of new cars and 80 percent of the sale price of used cars (usually with a coinsurance clause) as of the date of sale and is payable, in case of loss, to the finance company to the extent of the outstanding payments and the balance to the purchaser of the car. A proposal is being agitated in some quarters as a panacea for the "wholesale insurance problem," to have single interest insurance, that is a blanket policy which will guarantee to the finance company such part of the outstanding payments as it may be unable to collect by reason of the car having been burned or stolen. This insurance would decrease in amount from month to month as payments were made, and not only would provide nothing for the purchaser, but would not even relieve him from the legal obligation to complete his payments, although no longer enjoying the use of the car.

Urged by Insurance Agents

One argument urged in favor of this single interest insurance is that it would cost less, would therefore reduce the total selling price of the car, and thus would lessen sales resistance. The principal advocacy of the proposed change comes from certain insurance agents who feel that it would result in more commissions for them. Most of the present double interest insurance in connection with installment sales is now being placed by the finance companies. The insurance agents feel that if the finance companies would use only the proposed single interest insurance, the purchasers would be obliged to take out full coverage on their own account through the agents, who would thus get the commissions.

Reduce Business Written

We think the whole scheme is a mistake from the point of view of four interests, the insurance companies, the finance companies, the purchasers, and even the agents. If the agents think that the finance companies, after placing their single interest insurance, would insist upon purchasers also taking out fire and theft insurance on their own account, they are badly in error. That would be increasing sales resistance, not reducing it. Under present conditions, any one who has just completed buying a car on installments is an excellent prospect for insurance, because he knows that he has been insured up to this time, and it is most natural for him to feel that he should continue to carry insurance. Under the suggested system, a great many purchasers, having the option of taking out insurance, or not doing so at the time of making the down payment and signing a contract to make a long series of deferred payments, and being under no pressure to take out insurance from the dealer, whose main interest is to sell the car, would decide to save the money and carry their own risk. After the installment payments were completed, such a purchaser would be thoroughly insured to the habit of not carrying insurance. In our judgment, if the agents could put over this scheme, it would result in a substantial reduction in the amount of insurance written, and so in a corresponding reduction of their commission.

Put Buyer in Dilemma

That is why this scheme is not to the interest of the agents, and of course the same argument applies to the case of the insurance companies. It would

simply reduce, not increase, the volume of their business. The idea is not to the interest of the car buyer, because it puts him in the dilemma of either having no insurance protection, or being obliged to pay for more than full protection if he takes out insurance. Also it deprives him of the privilege which he now enjoys of buying his insurance on installments, for under the present system the insurance premium is lumped in with the rest of the unpaid balance and pro-rated, usually over 12 months.

The plan is not to the interest of the finance companies, because, first, they would save nothing, the insurance premium being passed on to the customer in any case, and second, they would incur the resentment of every purchaser who lost a car by fire or theft and was asked to continue payments. Even if no effort was made to collect from such people, many of them, at least for the first year or two, would be angry at finding out that they were not insured, because the public is so generally familiar with the present custom that many buyers would assume, as a matter of course, that they were protected.

Experience Not Satisfactory

It is the general experience of insured companies that single interest insurance of other types has cost more than was at first anticipated, so that it has been necessary to raise the rates. This has been notably true of single interest collision insurance, which is written for the protection of finance companies in cases where cars have been so badly damaged that the owners can not afford to pay for repairs and therefore stop their installment payments, allowing the cars to be repossessed. This has cost so much more than expected that rates have been increased by a really serious amount. If this same experience should be repeated in connection with single interest fire and theft insurance it would go a long way to cancel the only argument which has been advanced in its favor, namely, the smaller cost of financing.

Some car dealers now act as insurance agents. If the proposed system were in effect there would be an inducement for more dealers to become agents, and for them to spend time trying to sell insurance that would be better devoted to selling cars.

Could Company Collect Twice?

Single interest fire and theft insurance would result in a flood of irritating adjustment problems. If a car is burned or stolen the owner is still bound by his contract to complete his payments. In every such case is not the insurance company going to press the finance company to make further efforts to collect? Or is it proposed to make this insurance due and payable in the event of fire or theft regardless of the car owner's willingness and ability to go on with his payments? If so, it would make it possible for the finance company to collect from both sources. When the dealer's endorsement is on the paper, the dealer also will be involved in the adjustment, so that each instance of fire or theft may result in a dispute involving four parties, the insurance company, the finance company, the dealer and the car owner.

Require Full Windstorm Cover

LOUISVILLE, July 12.—Trust companies which formerly loaned money on residences, requiring full fire insurance coverage to the amount of the loan, but only about 50 percent windstorm, are now requiring borrowers to carry full windstorm coverage, at least in some cases, this being in connection with the hiatus existing between windstorm and fire policies. However, they are not requiring that it be written in the same company.

INTEREST IN CONTRACT MOVEMENT GENERAL

AFFECTS AGENTS, MANAGERS

Western Union's Attempt to Establish Uniformity in Agent-Company Agreement of Wide Import

NEW YORK, July 13.—Fire men in the East, local agents as well as company executives, are interested in the recent action of the Western Union in naming a committee to draft an agency appointment contract. They feel that if an instrument acceptable to the organization named be produced, it will unquestionably be submitted for adoption in other jurisdictions throughout the country, so that there might be uniformity, which does not now exist. The agency certificate of appointment used varies slightly with different companies, but is alike in one material respect, namely, its omission of important contractual features.

In the early days the certificate of appointment was prized by local men, some of whom had it framed and hung in their respective offices. Today it is rarely to be seen, usually being tucked away in the desk of its owner. It is not a contract in that it does not fully define the duties of the agent, nor is it signed by the agent.

Losses Cause Move

The present effort of the Western Union to prepare an agreement that will obligate the local man as well as his company is understood to have resulted from the loss by certain offices of premiums collected on their account by local representatives and deposited to the credit of the latter. What the managers want is an agreement that will define the debtor and creditor relationship and compel the treatment of premiums collected as trust funds, so that in the event of the insolvency of an agent the premiums cannot be seized by general creditors, but instead will be turned over to the ownership offices.

Agents as well as companies are concerned in the preparation of a proper agreement. The assumption is that before a final draft of contract be adopted by any company organization, it will be submitted to representatives of the National Association of Insurance Agents for suggestions.

Resign Bureau Companies

KANSAS CITY, MO., July 12.—Oppenheimer Brothers, local agents in this city for 13 years, have decided to resign their Bureau companies Aug. 1, and will represent from that date the following Union companies: Mercury, City of New York, Philadelphia Fire & Marine, and Automobile.

North Dakota Clean-Up Campaign

A report on the state-wide clean-up and fire prevention campaign conducted under the auspices of the North Dakota State Fire Prevention Association has just been issued by E. V. Neuberger, chairman of the special committee in charge of the work. The campaign was carried on for several weeks, each community setting its own date. The extent of the campaign is evidenced by the fact that Mr. Neuberger addressed a letter on the subject to the officers of 148 different commercial clubs throughout the state; while 10,000 home inspection blanks were sent out from this office. Clean-up and fire prevention material was furnished the local papers in some 25 towns, the papers in question having a combined circulation of almost 50,000. The larger cities and towns were given personal attention by Mr. Neuberger and Secretary A. K. Holton of the North Dakota State Fire Prevention Association.

At Gray, Ia., the Trans-Mississippi Company's grain elevator and its contents were destroyed by fire. The loss includes 30,000 bushels of corn, 10,000 bushels of oats, scale house, stock yards, corn cribs and office in addition to the elevator. The loss is expected to exceed \$50,000, covered by insurance.



Can An Appraisal Be "Too Good"?

Occasionally a property owner raises the question of whether an appraisal can be "too good." The question arises because provable appraisal service costs more than that in which there is an element of opinion or guesswork.

From the viewpoint of the insurance profession, we believe that no appraisal can be "too good." Adjusting a fire loss is not a question of how little the insurance company must pay or how much the insured can get. It is a settlement on the basis of *loss suffered* under the terms of the insurance in force at the time of the fire.

Most misunderstandings arise because losses are not provable.

Hence the matter of proving the exact loss is the paramount issue. It is most easily solved to the satisfaction of all concerned by reference to an appraisal whose authority is unquestioned.

The American Appraisal Company operates on the theory that an appraisal cannot be "too good"—that the making of an appraisal entails moral responsibility which cannot be overestimated.

The record of The American Appraisal Company for the past thirty years offers abundant testimony to the value of authoritative appraisal service to the insured and insurance companies.

**THE
AMERICAN APPRAISAL
COMPANY
MILWAUKEE**

A N A T I O N A L O R G A N I Z A T I O N

CHANGES IN THE FIELD

THREE OF FAMILY IN FIELD

With Transfer of H. Y. Jordan to Richmond, Two Brothers and Father Travel Out of Same Office

Transfer of Howard Y. Jordan from the southern department offices of the Royal and Newark at Atlanta to Richmond has brought about a somewhat unusual situation. Two brothers and their father are now traveling as specials out of the same office there. W. A. Jordan, Sr., who has a desk in the Richmond office of two companies, travels Virginia and North Carolina for the Hampton Roads Fire & Marine. He was formerly a farm special for the Royal and Newark in Virginia. W. A. Jordan, Jr., now special agent for the Royal in Virginia, formerly traveled also for the Newark in that state. Howard Y. Jordan is now traveling for the Newark in Virginia and North Carolina. The three were formerly in the local agency business together in Dixonville, Tenn., their old home town. Ben Rhett, who formerly traveled for both the Royal and Newark in North Carolina with Raleigh headquarters, is now representing only the Royal in that field. George B. Jennings, state agent for the Royal and Newark at Richmond, retains supervision over both states.

H. E. Kallgren

H. E. Kallgren, who has been special agent of the North America in Wisconsin under State Agent A. H. Ely, has been appointed state agent of the Alliance in Minnesota and central and western Wisconsin, with headquarters at Minneapolis. Mr. Kallgren will also have charge of the northwestern section of Wisconsin as state agent of the North America.

He will be succeeded as Mr. Ely's assistant by Edwin H. Ryan, who has been with the engineering department of the North America with headquarters in Chicago.

Carl Beutenback

Carl Beutenback has resigned as special agent of the National Liberty in Indiana and will be succeeded by Fred A. Kiser, who has been special agent of the Marquette National and Pittsburgh in Indiana.

SEVERSON WITH MAIN AGENCY

Former State Agent of the Royal Exchange in Wisconsin Joins the Madison Firm

A. L. Severson, recently resigned as state agent for the Royal Exchange in Wisconsin, has joined the general agency field force of the Willett E. Main Insurance Agency of Madison, Wis. Mr. Severson has traveled Wisconsin for the past 15 years and in that period of time has made many friends. The Willett E. Main Agency was established in 1862 and has been general agent for the City of New York and County Fire for many years. Mr. Severson will serve the interests of both these companies together with Frank W. Starkweather and Alfred S. Gormly.

Harry W. Cooley

The Travelers Fire announces the appointment of Harry W. Cooley as special agent in Oklahoma under State Agent Whitehurst, with headquarters at Oklahoma City. Mr. Cooley for the past nine years has been with the Oklahoma Inspection Bureau.

E. J. Radbourne

E. J. Radbourne, formerly secretary of the Pittsburgh Fire, is now located in Des Moines and is supervising Iowa, Nebraska, Minnesota and Missouri for the Importers & Exporters of New York. He has offices with Willis & Moore, local agency in the Liberty building. Mr. Radbourne is a native of England, born in London, but has been in the United States for many years in the insurance business.

Henry O. Cady

The Travelers Fire announces the appointment of Henry O. Cady as special agent for Missouri and Kansas with headquarters at Kansas City. He will assist State Agents Meister and Moore. Mr. Cady has been with the Illinois Inspection Bureau at the Champaign, Ill., branch for the past three years.

Lyman D. Bailey

Lyman D. Bailey, of Columbus, special agent of the Northwestern National in Ohio, has resigned.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

EXPLOSION CONFERENCE MEETS

The annual meeting of the Explosion Conference to be held in New York this week promises to be one of the most important in the history of the organization and may even determine its active continuation as a rating organization, due to the suggestion of the subscribers' actuarial committee that the conference surrender all control over rates and rules for the insurance explosion hazard and that coverage of that hazard be included in fire policies on all classes of risks. The meeting will also be called upon to approve a proposed 100 percent increase in earthquake rates for the eastern territory and the restriction of such policies to a term of one year with a \$5 minimum premium.

C. R. Street, chairman of the subscribers' actuarial committee, states that it is necessary to take steps to protect the fire insurance policy on risks containing explosion hazards and that the subscribers' actuarial committee intends to publish combined fire and inherent explosion rates on risks where the hazard is a common one. Several years ago the Explosion Conference released jurisdiction over the inherent explosion

hazard on grain elevators, flour mills, feed mills and kindred risks, and later similar action was taken in connection with starch works and one or two other specific classes. The present proposal, however, provides for the assumption of the inherent explosion hazard under fire policies whenever companies see fit.

WAGE WAR ON BOGEY MAN

Now that the season for conventioning by local fire agents of the country is in full swing, one is struck with the scant attention paid at the gatherings to the consideration of business-getting methods; emphasis rather being devoted to reviewing legislation, enacted, pending or proposed, and the attitude of the agents thereto. Unquestionably the operations of the local men are affected to a degree, and sometimes seriously, by new statutes, but it occurs to head office men here that its importance is overemphasized in too many instances.

Company officials point out that life underwriters' organizations, local, sectional and national, gained greatly in membership and prestige once they adopted the program of selling talks,

taking up a particular type of policy and explaining its appeal from different angles. Discussions of this character are of direct value to the men on the "firing line," in that it affords them selling ideas, the putting in practice of which means added commissions. Agents located in small centers get the ideas of men from the big cities who have specialized in the sale of particular types of contracts or to an especial clientele, learn to know their peculiar needs and how these can best be supplied through the medium of life insurance. Sales talks are staged, participants therein being men of proved success. The ideas thus gleaned are of the greatest possible value to attendants at the gatherings, the result being that life conventions now attract agents in large number who never previously felt that the expense of their attendance was justified.

Fire agents as well as those in the life insurance field are dependent upon the amount of their sales for their livelihood, and observers of fire agents' meetings are convinced that these could be made far more interesting and worth-while than they now are if instead of an undue proportion of time devoted to hearing legislative committee reports or set addresses by company officials, sales arguments that have proved effective in inducing the placing of lines of the lesser known types of coverage would be stressed.

INSTITUTE GETS NEW MEMBERS

As a result of the energetic campaign for additional members of the Insurance Institute of America prosecuted by President Edson S. Lott and William J. Graham, chairman of the membership committee, the following named companies have joined the organization recently, attesting thereby their sympathy with its plans and their willingness to cooperate in their advancement. Life offices: Western & Southern, Lincoln National, Midland Mutual, George Washington, Northwestern National, Bankers, Connecticut General, Colonial, American Central, Register, Franklin, State, Southwestern, Continental Assurance, Guardian, United Life & Accident, Security, Southland, Commonwealth, Federal, Northern, Mountain States, Jefferson Standard, Columbian National, West Coast. Fire offices: Hudson, Importers and Exporters, Central, Baltimore American and Peoples National.

APPAREL LOSSES DECREASE

The report of the loss committee of the New York Board for June shows that apparel contractors' fire losses in the city have been considerably reduced. The committee has disposed of 242 claims involving an aggregate cost of \$345,191 since the first of the year. At the present time the committee has under adjustment or investigation 172 claims. The June report shows a decrease to nine fires involving 24 claims, as compared with 18 fires involving 57 claims in June, 1926. The record for the first half of the year is 92 fires with 275 claims as against 132 fires with 470 claims for the first six months of 1926.

NO CHANGE IN BINDING OFFICES

There is excellent warrant for the statement that no change in present methods of operating binding offices will result from the questionnaire recently sent by the Eastern Underwriters' Association to its members upon the subject. Binding agencies are maintained in this and in other important cities throughout the country by a number of companies for the expeditious handling of outside brokerage accounts and have proven decidedly serviceable. Some of the larger offices are maintained upon a salaried basis, while others receive a commission of 5 percent upon all accepted business outside their home centers. The big companies for the most part have sole representatives who are compensated strictly upon a salaried basis. They are required to develop brokerage accounts, working in conjunction with the company's agents at all outside points

and aiding the latter to the fullest possible extent. For the prompt handling of business, special telephone wires are maintained between the company headquarters and its binding office. In an effort to determine what basis might exist for the charge of improper practices in handling outside risks, the Eastern Underwriters' Association issued its questionnaire. Returns are said to have disclosed that every binding office arrangement was in strict conformity with the governing rules and that both companies and agents were holding to ethical practices.

CLEARING HOUSE OFFICIAL DIES

Alexander N. Stewart, manager of the Reinsurance Clearing House of New York, died last week in a hospital following an operation on his jaw about a month ago. He was 73 years old. Mr. Stewart entered the fire insurance business in Reading, Pa., in 1871, engaging in local agency work for 15 years. He was connected with the old Phoenix of Brooklyn and later the Fidelity-Phoenix from 1886 to 1910, becoming special agent in the middle department territory, assistant general agent at the home office and later general agent. In 1910 he became general manager of the Jefferson Fire of Philadelphia, being elected president the following year. When the Jefferson was reinsured in 1912, Mr. Stewart became vice-president of the Baltimore and was made manager of the Reinsurance Clearing House when it was organized in 1915.

WARNS ON REFUNDING AGREEMENTS

Superintendent Beha has again declared his opposition to refunding agreements under which certain reinsurance companies set aside specific securities to take care of the liabilities of favored assureds, holding the practice to be discriminatory. Mr. Beha referred to the matter several months ago, but the failure of several offices to correct it has caused him to issue a second warning.

PROTEST ADVANCE IN QUEENS

Holding the fire rate advance recently enforced in certain sections of the borough of Queens, New York city, unwarranted, various civic organizations are preparing to protest them.

Rassweiler Has Record of Continuous Service

MUCH interest has been manifested recently as to what local agent really holds the record for continuous service in the ranks. In a recent issue attention was called to W. S. Foote of Wheeling, W. Va., who established his agency in 1874. Mr. Foote is still on the firing line and is active in his agency. H. H. Rassweiler of Naperville, Ill., established his agency in October, 1873, taking at that time the North America and Aetna. He has continuously represented these companies ever since, is still active in his agency and very much interested in insurance. It would be interesting to know whether there is anyone else personally still in the service whose agency antedates that of Professor Rassweiler and particularly whether the same company has been represented during the same length of time. Professor Rassweiler was formerly on the faculty of Northwest College at Naperville. For many years he was Illinois state agent of the North America but still maintained his local agency while doing field work.

Few Storm Losses in Northwest

ST. PAUL, July 12—So far this summer there have been very few losses from wind or hail in this territory. There was one rather severe windstorm in North Dakota and a few small ones in this state but property losses have not been heavy.

Crops are now at a stage where hail can do much damage and the next three weeks will be critical ones for the companies writing hail business.

GENERAL REINSURANCE CORPORATION

Home Office: 80 John Street, New York

Statement of Condition—December 31, 1926

ASSETS

Bonds and Stocks

U. S. Government.....	\$ 1,130,581.00
State, County and Municipal.....	916,890.00
Railroad	2,219,460.00
Public Utilities	2,735,730.00
Miscellaneous	350,107.02

Total\$ 7,352,768.02

Real Estate Mortgages.....	218,000.00
Collateral Loans	1,000,000.00
Cash in Banks and Office.....	831,702.06
Prem. in course of collection (not over 90 days).....	1,046,129.26
Accrued Interest on Bonds.....	89,244.07
Other Admitted Assets.....	47,129.60

TOTAL ADMITTED ASSETS.....\$10,584,973.01

LIABILITIES

Reserves for Losses and Loss Ex- penses	\$ 4,711,533.55
Unearned Premium Reserve.....	2,597,401.65
Reserve for Commissions, Taxes and other Liabilities	417,997.17
Contingent Reserve	300,000.00

CAPITAL STOCK\$1,469,550.00

SURPLUS 1,088,490.64

SURPLUS TO TREATY HOLDERS 2,558,040.64

TOTAL LIABILITIES\$10,584,973.01

	Dec. 31, 1925 Statement	Dec. 31, 1926 Statement	Gain
ADMITTED ASSETS	\$6,547,829.75	\$10,584,973.01	\$4,037,143.26
NET WRITTEN PREMIUMS..... (12 Months)	3,161,509.66	5,168,553.06	2,007,043.40
LOSS AND PREMIUM RESERVES..	4,549,416.01	7,308,935.20	2,759,519.19

CASUALTY and SURETY TREATY REINSURANCES SHARE AND EXCESS

E. H. BOLES, *President*

J. G. WHITE, *Chairman of the Board*

C. M. HANSEN, *Vice-Pres. - General Manager*

AS SEEN FROM CHICAGO

BAILEY GOES TO SWITZERLAND

H. U. Bailey, director of trade and commerce of Illinois, is now en route to Zurich, Switzerland, to endeavor to settle the claims arising from foreign reinsurance transactions of the Marquette National Fire of Chicago. Claims amounting to \$130,000 have been filed by foreign companies which had reinsurance treaties negotiated through the Marquette National's representative in Zurich. The office in Zurich was established by the Great Western Fire, the running mate of the Marquette National, and was taken over by the Marquette National when the two companies were consolidated. Mr. Bailey feels that on

making this trip personally he can reduce the amount of the claims materially. The Marquette National Fire lost heavily on its foreign enterprise.

MOVE TO NEW BUILDING

The Fort Dearborn Automobile and the John L. Walker Agency, which heretofore have been in the Illinois Merchants Bank building in Chicago, have moved to the Adams-Franklin building.

NOLAN BACK AT WORK

W. J. Nolan, western field supervisor for the Bankers & Shippers, with headquarters in Chicago, was at his office Monday for the first time since his injury in an automobile accident in Jackson Park two days before Christmas. He still has to walk with a cane, but believes that he is now on the job to stay and is glad to get back to work after his long siege in the hospital.

SERVICE AGENCY MOVES

The National Service & Appraisal Company, which manages also Hill's Reports, has moved to new quarters at 600 Adams-Franklin building, the new telephone number being Franklin 1206. Hill's Reports are used extensively by bankers, but since their purchase by the National Service & Appraisal Company they are being adapted to insurance company use.

HARTFORD OFFICES HAVE OUTING

The officers and staffs of the Chicago offices of the Hartford companies held their annual outing July 12 at Crystal Lake, Ill. They were transported to the resort in motor cars and enjoyed a full day of entertainment and recreation.

RETIREES FROM ASSOCIATION

The American Central has retired from the Western Railway Underwriters of Chicago. This leaves five companies in the syndicate: North America, Hartford Fire, Aetna, Springfield and Great American. The syndicate specializes on railroad business.

ADJUSTING BRIGGS LOSS

Last week the Briggs Manufacturing Company of Detroit, which sustained a big loss some weeks ago, filed its schedule. There was an enormous amount of work in connection with getting up the

figures and preparing the proofs. R. R. Lippincott, assistant general manager of the Western Adjustment, is in Detroit checking over the figures with the help of the Detroit office of the Western Adjustment. It will take a week or so simply to check the figures filed by the assured. The Briggs loss was the most notable one of the year in that it was caused by a flash fire due to paint spraying.

EX-PRESIDENTS PHOTOGRAPHED

Photographs of all of the living ex-presidents of the Chicago Board and the present president, August Torpe, Jr., have been hung in the auditorium of the Chicago Board rooms on the 21st floor of the Insurance Exchange. They are all of uniform size and framing. There are 11 ex-presidents in the group.

TORNADO CLAIMS STILL COMING

Although thousands of claims were filed following the tornadoes of April and May, some companies, and especially those writing farm business, find that there are laggard claims just being put in. In some cases people were away and in others there was so much confusion that the assured neglected to file a claim. The April and May tornado losses cut the profits out of the business in the middle west, especially for the farm writing companies. Numerically this series of storms caused more losses than any previous one for a number of years. The physical labor of handling these losses at headquarters has been enormous. Many offices have had their loss clerks working at night endeavoring to clear the decks.

BROKERS FORM PARTNERSHIP

Three brokers, Fred C. Bracken, A. Joseph Cameron and Harry H. Snell, have formed a partnership known as Bracken, Cameron & Snell, having incorporated the firm. They have taken quarters at 1405 Insurance Exchange, Chicago. They have been appointed general agents of the Preferred Accident, writing automobile liability and property damage. They also have been appointed agents for the Standard of New York for automobile fire, theft and collision. They represent the Mutual Life as agents. All the members of the firm are experienced insurance men.

BUCK WINS GARDEN HONORS

Randolph Buck, manager of the Western Factory at Chicago, received notable distinction in the Chicago "Tribune's" flower garden contest. Mr. Buck resides at Hubbards Woods on the north shore. His garden received the first prize in his district in the "Tribune" contest. Mr. Buck personally laid out his garden, cultivated it and has one of the most artistic places in his region. One of the characteristics of Mr. Buck is that each day he wears a fresh carnation in his buttonhole.

NEW AGENCY LINEUP

E. Pryor Lewis and J. Frank Kelly, formerly members of the firm of Pogge & Lewis, well known Chicago agency, will conduct a general insurance agency, operating as Lewis & Kelly, the old firm having been dissolved. They will occupy the same offices at 833 Insurance Exchange. The same companies previously represented will be retained—the New York Indemnity, American Alliance, Commerce, Commonwealth and Concordia. The old firm controlled considerable plate glass business in Chicago, in which the new firm will specialize, as well as all other casualty and fire lines.

Mr. Lewis is a thoroughly trained casualty man, having started his insurance career at the home office of the old American Bonding of Baltimore. He later became manager of the burglary department for that company in Chicago. He then became assistant manager of the Royal Indemnity in Chicago, resigning that position to become assistant manager of the casualty department of the Travelers. His first connection with a general agency was effected when he became manager of the casualty depart-

ment of Kuhns & Pogge in Chicago, later being taken in as a partner and the firm name changed to Pogge & Lewis.

Mr. Kelly, who has been specializing in the fire insurance business for many years, went with the agency as special agent for Cook county and was later made a member of the firm.

Arthur Umenhofer has been appointed special agent for Cook county and Fred D. Smith, formerly with the American Casualty, will act as office manager.

INSURANCE STOCK QUOTATIONS

H.W. Cornelius of Charles Sincere & Co., the investment house of Chicago, gives the following insurance stock quotations:

	Bid	Asked
Aetna Casualty & Surety...	780	790
Aetna Fire	533	540
Aetna Life	553	560
Agricultural	285	290
Alliance Assurance	54	56
American Alliance	355	365
American Automobile	50	52
American Equitable	60	62
American, N. J.	23 1/2	24 1/2
American Salamandra	52	55
American Surety	238	243
Automobile, Ct.	200	210
Bankers & Shippers	325	330
Boston	630	650
Buffalo	325	330
Camden Fire	20	21
Carolina	56	62
City of N. Y.	340	355
Columbian National Life	215	220
Connecticut General Life	1525	1600
Continental Assurance, Ill.	63	65
Continental Casualty	57	60
Continental, N. Y.	173	176
Fidelity & Casualty	177	181
Fidelity & Deposit	214	218
Fidelity-Phoenix	115	117
Fire Association	52	54
Firemen's, Newark	224	226
Franklin Fire	238	243
Glens Falls	50	52
Globe & Rutgers	1580	1610
Great American	319	325
Hanover Fire	210	215
Harmonia Fire	50	52
Hartford Fire	530	550
Hartford Steam Boiler	610	630
Home, N. Y.	415	425
Homestead	40	44
Importers & Exporters	98	102
Independence	29	32
Insurance Co. of No. Am.	61	62
Knickerböcker	30	34
Lincoln Fire, N. Y.	68	72
Lloyds Plate Glass	225	250
Maryland Casualty	113	115
Mechanics	60	62
Merchants Fire, Com.	165	175
Merchants Fire, Pfd.	125	130
Metropolitan Casualty	78	83
Milwaukee Mechanics	39	41
National Casualty	33	35
National Fire, Ct.	765	785
National Liberty	500	510
National Surety	240	243
National Union Fire	260	265
New Amsterdam Casualty	68	70
New England Fire	43	45
New Jersey	44	48
New York Casualty	101	104
Niagara Fire	305	315
Northern, N. Y.	325	330
North River Fire	170	175
Pacific Fire, N. Y.	107	112
Phoenix, Ct.	580	590
Preferred Accident	430	440
Providence Washington	380	390
Reliance Casualty, N. J.	150	155
Rhode Island	270	285
Rossia Insurance	107	109
Security, N. H.	110	114
Springfield Fire & Marine	580	600
St. Paul Fire & Marine	145	160
Stuyvesant, N. Y.	190	200
Travelers	1195	1210
U. S. Casualty	320	340
U. S. Fidelity & Guaranty	295	300
U. S. Fire	205	212
U. S. Merchants & Shippers	270	280
Vulcan	100	105
Westchester Fire	57	61

NORTH AMERICA LEADS LEAGUE

Results of the games played last week by the teams in the Insurance Baseball League of Chicago were as follows: North America, 11; Firemen's of Newark, 4; Marsh & McLennan, 18; London & Lancashire, 13; Sun, 7; Springfield, 6; Royal, 15; Hartford, 7; Kemper, 18; Sanborn, 6.

The standing of the teams is as follows:

	W	L	Per.
North America	9	0	1000
Firemen's, Newark	7	1	875
Royal	7	1	875
Kemper	5	3	625
Hartford	4	5	444
Marsh & McLennan	4	5	444
Sanborn	2	7	222
Sun	2	7	222
London & Lancashire	1	6	143
Springfield	1	7	125

Preston T. Kelsey of New York City, United States manager of the Sun of England, is visiting the western department in Chicago this week.

OPPORTUNITIES

This column serves as a market place where insurance wants may be made known to thousands of interested insurance men.

Advertisements which are received before 9:00 A. M. Wednesday are inserted in the current issue. "Opportunities" advertisements are \$5.00 an inch for one insertion.

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THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; H. E. WRIGHT and NORA VINCENT PAUL, Vice-Presidents; WILLIAM A. SCANLON, Southwestern Manager; GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers; B. F. STEVENS, Manager, Advertising Service Department.

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Entered as Second-Class Matter February 24th, 1900, at Post Office at Chicago, Ill., Under Act, March 3, 1879

Subscription Price, \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50

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Building a Real Organization

In many insurance companies and organizations there is seen the dominance of one man. This influence, however, may extend itself in two different ways. The active executive head may endeavor to take all the credit for everything that is done, he may desire to keep in touch with every possible detail, he may assume a dictatorial attitude making it difficult for people to work for him, his manner may be so overbearing that subordinates refuse to assume authority. That is the one man institution and lacks in effective organization. If anything happens to that one man the organization disintegrates or it requires a long time to rehabilitate. Such a man is indicative of the one who does not grow as his organization grows. He is suspicious. He does not study those fundamental principles that govern great organizations.

Another man may be equally as dominant and successful, but he builds up successful men in his own ranks. He

takes more pride in the character and ability of the men associated with him than anything else. He selects good men and places responsibility on them. They grow with responsibility. He does not try to dictate every move they make. He gives them plenty of latitude. If he finds one is not big enough for the job, he is eliminated. He makes it possible for men to grow and develop.

With the growth of large institutions the organization plan is far more vital than it was in years gone by. Many offices are entirely too large now for one man to think of handling even important details. The master of an organization is one who builds men. He does not worry about anyone getting his position. He takes suggestions up and down the line. He realizes that his success and the success of his institution depend very largely on the men connected with the enterprise. The bigger the lieutenants he has the greater and more substantial will be the growth.

Is Insurance Too Backward?

SOMETIMES one wonders whether some of the great businesses of the country are not wider awake than insurance in extending their educational facilities. For instance, the NATIONAL ASSOCIATION OF REAL ESTATE BOARDS announces that 52 colleges are now offering real estate courses. It declares that in April, 1923, courses in real estate or land economics were unknown in all but three or four institutions in the country. Since last September 89 local real estate boards in cities conducted

courses in real estate either under their own auspices or in cooperation with Y. M. C. A. schools, university extension divisions or similar institutions. Two universities, the UNIVERSITY OF MICHIGAN and NORTHWESTERN UNIVERSITY, have put real estate courses into their graduate schools. The NATIONAL ASSOCIATION OF REAL ESTATE BOARDS lists the various colleges now giving real estate courses and under each one tells the scope of the course.

Cultivating Ability to Listen

DR. W. W. CHARTERS, director of the research bureau of retail training at the UNIVERSITY OF PITTSBURGH, believes that the ability to listen is just as necessary in selling as the ability to talk. He gives six suggestions for becoming a good listener:

1. When you talk to a friend hear what he is saying with your mind.
2. Make the other fellow talk by asking him intelligent questions.
3. When you meet strangers find

out their interests by getting them to talk.

4. Find out what other people like to talk about and talk about that.
5. Forget yourself and become interested in other people. People are more interesting than anything else in the world.
6. When you argue, try to get at the truth and be glad to acknowledge that your friend has given you a new idea.

The suggestions are worth study.

PERSONAL SIDE OF THE BUSINESS

D. J. O'Keeffe of Fort Wayne, Ind., a prominent figure in the National Association of Insurance Agents and new chairman of its casualty and surety committee, has returned home from Fort Worth, Tex., where he and Mrs. O'Keeffe have been to attend the graduation of their son, Walter, from the Texas Christian University. The son won a scholarship and will continue his studies for at least another year in the east. He has shown unusual dramatic talent during his college course and will carry on the study of this art.

J. W. Couch, of the firm of Couch & Morrow, local agents at Abilene, Tex., joined the ranks of the immortals when he smacked his golf ball off No. 6 of the Crescent Golf Club and struck the cup in one, winning thereby a case of ginger ale, box of cigars, pipe, year's subscription to the "Metropolitan Golfer," a safety razor, a flock of golf balls, and the privilege of pushing out his chest just as far as it will go. Mr. Couch was playing his second match in a mid-summer tournament and the "dodo" gave him the match.

Preston H. Kelsey, whose appointment as eastern New York special agent for the American of Newark became effective a short time ago, is of the third generation of the Kelsey family to engage in the fire insurance business, and gives every promise of eventually attaining executive rank. He is a son of Preston T. Kelsey, United States manager of the Sun of London, and a nephew of J. A. Kelsey, general agent in the United States for the Tokio Marine & Fire, and of H. N. Kelsey, deputy United States manager of the Northern Assurance. His grandfather, the late Benjamin Kelsey, was long general agent in Indiana for the Hartford Fire. It was in the Hoosier state that his four sons were born. Three of them elected to follow in the footsteps of their father as fire underwriters, in turn getting experience as clerks, special agents and finally as company officials.

A son of J. A. Kelsey is now traveling the New York and New Jersey field for the Tokio and Standard Fire, while Joseph T. Kelsey, son of B. C. Kelsey of Seattle, the only member of his generation that failed to be attracted to the fire business, was suburban special agent for the London & Scottish for several years, and is now promoting the DeWitt Fire of New York City.

Though numerous other families have contributed succeeding generations to the fire insurance business, it is highly improbable if any has done so to the extent of the Kelsey clan. The financial returns to be had from fire underwriting may not be comparable to those afforded by banking or certain other lines, but that the business has its fascinations is indisputable.

Western Manager John M. Thomas of the Aetna went to Jefferson, Iowa, last Friday to attend the funeral of Mrs. Fred H. Rhoads, wife of the Pacific coast manager of the Aetna, who was killed in an automobile accident. Mrs. Rhoads was a native of Iowa and was visiting her old home. Mr. Thomas represented the company at the funeral ceremonies.

Henry F. Tuerk of Peoria, Ill., secretary of the Illinois Fire of that city, is rounding out 25 years of service with the company. He started as an office boy 25 years ago in 1902. He set out after school had closed hunting a job and accosted Bernard Cremer, who was president of the company at that time. He was hired. Later he was made daily report clerk and then map clerk. He went up through the various positions, being stenographer to the secretary, bookkeeper and head of the loss department. Then in 1918, he succeeded the late Charles Cremer as secretary. Mr.



HENRY F. TUERK

Tuerk is the chief underwriter for the company and is one of the important cogs in its machine. The Illinois Fire is 51 years of age and has passed through many crises successfully. Mr. Tuerk is very much interested in his work and is recognized for his ability.

Condolences of the insurance fraternity in Wisconsin have been extended to Joseph Grundle, secretary of the Milwaukee Board, and of the Wisconsin Association of Insurance Agents, whose father, Joseph Grundle, Sr., died in Milwaukee Thursday after an illness of several weeks.

George W. Blossom of Chicago, senior member of Fred S. James & Co., who has been abroad for five weeks, returned to his office Monday. Mr. Blossom received a cablegram announcing the death of Mr. James just as he was embarking from England for this country.

Rollin M. Clark, assistant manager of the insurance department of the Chamber of Commerce of the United States, was married a few days ago to Miss Helen Estelle Corsette, daughter of Mrs. William Britton Corsette of Washington, D. C.

The Whitehall Historical Society of Whitehall, Ill., has gotten out in pamphlet form a record of the memorial exercises held by the Greene county bar at Whitehall, May 30. The exercises were in honor of Josiah Lamborn, who was one of the prominent attorneys of his day, a leading member of the bar of the state, a contemporary of Lincoln and Douglas. He lived at Whitehall. He was attorney-general of the state and a member of the state legislature. One of the speakers at the memorial exercises was C. J. Doyle of Springfield, associate general counsel of the National Board. Mr. Lamborn engaged in a number of political debates. The greatest one was at Springfield, where he joined with Stephen A. Douglas, John Calhoun and Jesse B. Thomas against Abraham Lincoln, Stephen T. Logan, Edwin D. Baker and Orville H. Browning. It was an eight-day debate.

Edwin M. Brush, for 25 years special agent of the Pennsylvania Fire in the Boston office, and a son of Edward C. Brush, formerly New England manager of the Pennsylvania for many years, died at his home in Brookline Thursday, following a long illness.

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JANUARY 1ST, 1927, STATEMENTS

ORGANIZED 1855 FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ASSETS	CAPITAL	LIABILITIES	NET SURPLUS	SURPLUS
\$27,602,649.57	\$5,000,300.00	\$17,796,927.66	\$4,805,721.91	POLICYHOLDERS \$9,805,721.91

ORGANIZED 1853 THE GIRARD F. & M. INSURANCE CO. OF PHILADELPHIA, PA.

\$5,648,862.17	\$1,000,000.00	\$2,938,563.59	\$1,710,298.58	\$2,710,298.88
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ORGANIZED 1854 MECHANICS INSURANCE CO. OF PHILADELPHIA, PA.

\$4,452,703.00	\$600,000.00	\$2,748,734.22	\$1,103,968.78	\$1,703,968.78
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ORGANIZED 1866 NATIONAL-BEN FRANKLIN FIRE INS. CO. OF PITTSBURGH, PA.

\$4,725,350.94	\$1,000,000.00	\$2,702,814.94	\$1,022,536.00	\$2,022,536.00
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ORGANIZED 1871 SUPERIOR FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$4,600,981.46	\$1,000,000.00	\$2,508,996.65	\$1,001,984.81	\$2,001,984.81
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ORGANIZED 1878 CONCORDIA FIRE INSURANCE CO. OF MILWAUKEE, WIS.

\$6,261,240.00	\$1,000,000.00	\$2,942,034.49	\$1,319,205.00	\$2,319,205.00
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ORGANIZED 1886 CAPITAL FIRE INSURANCE CO. OF CONCORD, N. H.

\$724,764.95	\$300,000.00	\$733.34	\$424,031.61	\$ 724,031.61
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TOTAL ASSETS	TOTAL LIABILITIES	TOTAL NET PREMIUMS
\$53,016,552.18	\$31,728,804.89	\$25,001,307.09

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NEWARK, NEW JERSEY
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FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

AGENCIES HAVE COMBINED

Anderton & Anderton and McCabe, Shepherd Coe Co., of Dayton Have Effected a Merger

The agencies of Anderton & Anderton and McCabe, Shepherd, Coe Company of Dayton, O., have been consolidated under the firm name of Anderton-McCabe-Shepherd. This is an incorporated agency. H. C. Anderton is president and general manager; B. C. Shepherd, secretary and treasurer; O. P. McCabe and Charles Anderton, vice-presidents. The new quarters are on the second floor of the Realty building, 132 North Main street. The firm has provided for the claims and engineering department of the Ocean Accident, which was formerly represented by Anderton & Anderton. Boalt-Macbeth, of which H. C. Anderton is treasurer, also has its headquarters in the offices and works in connection with the consolidated agency. The company representation will remain unchanged but there will probably be some readjustment. Anderton & Anderton were general agents of the Ocean and the combined firm will continue in the same connection. The new corporation is fully equipped for handling all lines of insurance.

Complaints on Delivery "Insurance"

COLUMBUS, O., July 12.—The Ohio department has received a number of complaints about manufacturing companies and retail stores charging a small fee for insurance on the delivery of merchandise purchased. It is reported that in some instances the losses have not been promptly paid. The charge usually has been only nominal. The department, it is understood, will make an investigation of the complaints, it being alleged that the stores are encroaching on the insurance business.

Will Liquidate Hail Mutual

COLUMBUS, O., July 12.—The court of appeals has authorized the Ohio department to make final liquidation of the affairs of the Ohio Mutual Hail Association, which suffered severe losses in hail storms in northern and northwestern Ohio in 1925. Although a 100 percent assessment was made against those liable, not enough money was raised to pay the losses and the final distribution

will amount, it is said, to only 48 cents on the dollar.

Holidays Are Confusing

Ohio cities and towns are observing so many different days of the week for their weekly half holidays that the field men must be constantly on guard to avoid finding their agents out. The Bureau organization of field men has appointed a special committee to prepare a list of all towns and cities observing a half holiday on any day other than Saturday.

Ohio Agency Changes

Recent changes in Ohio fire insurance agencies are: The J. Edward Hanna agency, Cadiz, O., has been sold to Carl D. Mead.

At Chardon, O., the A. V. McIntosh agency has been sold to the Hall-Smith agency.

The Egry-Kyger agency, Hamilton, O., has changed to the Calvin Egry agency, Mr. Kyger retiring.

W. H. Constable has taken over the agency of Russell & Co. in Cincinnati.

The Equity Associated Realty Company in Akron is hereafter to be known as the H. G. Rhodes agency.

Mrs. Alice B. Hull of Findlay, O., has taken over the fire insurance agency of her husband, Harry B. Hull, who died a few days ago. It will be known as the H. B. Hull Insurance Agency. Mr. Hull represented a number of companies and was widely known among insurance and business men.

Paul C. Wellert of Elyria, O., has sold his business to S. G. Taylor & Co.

A. M. Weishaup of Grove City, O., has bought the Charles W. Milligan agency and will operate it under his name.

The Bowen Company at Norwalk, O., recently purchased the W. W. Whitehead agency.

H. L. Van Campen and George S. Stoerckel of Ravenna, O., have formed a partnership to be known as the Van Campen-Stoerckel Insurance Agency.

Ohio Notes

August Meech of the James B. Meech agency at Doylestown, O., died recently.

Arthur L. James, local agent at Conneaut, O., was killed recently by a fall from a cherry tree.

A recent report that the Knapp agency in Marion, O., had been sold was in error. It was the Knapp agency in Lodi that was sold.

A. B. Mehaffey of Cleveland, O., engineer for the Hartford Fire, was married last week to Miss Josephine Wingate of Des Moines.

CENTRAL WESTERN STATES

HAIL COVERAGE INCREASES

Farmers Mutuals in Illinois Issue Large Volume on Growing Crops—Stock Companies Report Business Good

Farmers mutuals operating in Mercer, Henry and Knox counties, Ill., report issuance of hail coverage totaling more than \$3,000,000 on corn, wheat, oats and orchard crops, and farmers of Hancock county are reported to have covered their crops against hail for a total of \$70,000. The insurance is issued by local mutuals through the Illinois Agricultural Association, for which the business is handled by the Illinois Mutual Insurance Association, which maintains headquarters in Chicago. The association reinsures the business with the Farmers Mutual Hail Association of Des Moines.

The stock carriers also report large totals of hail insurance on farm and city property, and are beginning to write hail coverage on crops in considerable volume. City dwellers have

been taught by this year's storms the damage hail can do to buildings, and local agents are becoming increasingly successful in issuing hail coverage with windstorm policies.

It has become the practice in some districts for the agent to attach the hail rider to all windstorm policies, regardless of whether it is asked for. Many farmers who have had hail insurance issued them on this basis have profited by the agent's foresight, and the agents in turn have gained new prestige through giving service.

Early in the spring a hail storm did thousands of dollars of damage in Urbana and Champaign, Ill., and on farms surrounding these towns. It is reported that only two persons in this section carried hail coverage before the storm. Both the mutuals and the stock companies have written large volumes of insurance in this territory since the storm.

Jesse O. Gable Dead

Jesse O. Gable, for many years prominent as a field man in the central west,

and for the past four or five years in entire charge of the local agency of A. F. Gable & Sons of Peoria, Ill., one of the old established agencies in that city, died Friday in the Presbyterian hospital in Chicago, having been stricken suddenly while on a business trip to that city. Mr. Gable had been in rather poor health for some time, but his condition was not considered serious, and his death will come as a shock to his many friends.

He was 52 years old and a native of Peoria, where the funeral services were held Wednesday. He had spent practically his entire business life in fire insurance work. He was for a number of years state agent of the State of Pennsylvania for Indiana and Illinois and later state agent for the Aachen & Munich for Michigan and Ohio. He was a brother of W. E. Gable, manager of the Underwriters Adjusting Company at Columbus, O.

Garage Loss at Elkhart

A fire loss, estimated at \$135,000, occurred in Elkhart, Ind., last week. The Valley City Motor Truck Co. on Sterling avenue, an auto testing and service garage, was destroyed. The following insurance was carried: North America, \$65,000; Home, \$15,000; National, \$10,000; Fidelity-Phenix, \$21,500; Automobile, \$25,000; Fireman's Fund, \$10,000; Hartford, \$10,000; Fire Association, \$15,000; Yorkshire, \$15,000; Springfield, \$25,000.

Question Ray's Loss Report

W. P. Ray of Indianapolis, general agent of the Allemannia, had a fire in his home recently which burned off the roof. The insurance was with the Allemannia and he reported the loss. Mr. Ray is now wondering whether the one who examined the report did or did not catch the fact that the claimant was the company's own general agent as he received a letter on the loss suggesting that, as the cause of the fire was unknown, he had better bring the case to the attention of the state fire marshal for investigation. Anyway, his friends are enjoying the story.

Insurance Gets Black Eye

ALTON, ILL., July 13.—Several local agencies of this city have carried advertisements in the local paper to inform the public that they did not write the insurance on the home of J. C. Bramhall, following the publication of a story on the front page of the paper recently concerning Mr. Bramhall's inability to collect on his insurance following the destruction of his home by fire. Mr. Bramhall had two five year policies issued in 1923 under the name of the United Liberties, issued through the Liberty Fire of St. Louis and the Omaha Liberty Fire of Omaha, Neb., with offices in St. Louis. When the loss occurred Mr. Bramhall found that the two companies had liquidated, and that the Marquette National, which had reinsured the business of the Great Western Fire, which in turn had reinsured the business of the Liberty of St. Louis, had gone into bankruptcy. Mr. Bramhall had not yet been able to learn whether or not the reinsurance of the other company was good, but in any event he stands to lose heavily. Mr. Bramhall said that the agent who wrote the policy told him that he had not been advised that the companies had liquidated and did not know that the policies were not good. He declared that he had censured his connection as the agent of the companies sometime ago.

Joins Leedy & O'Keeffe Agency

Jesse J. Killmer has been appointed manager of the Leedy & O'Keeffe agency at South Bend, Ind. Mr. Killmer conducted a successful local agency at Frankfort, Ind., for a number of years and then went to Florida where he has been for the past year. He stands well in the estimation of field men and local agents and will undoubtedly strengthen the standing of the Leedy & O'Keeffe agency at South Bend.

James W. Ray Will Wed

Announcement is out of the coming marriage of James W. Ray, Indiana spe-

cial agent of the Allemannia, to Miss Emma Elliott Deal, who is a recent graduate of Butler University and comes of an old Indianapolis family.

Will Discuss "Fire by Night"

Under the auspices of the Indiana Firemen's Association, the State Association of Fire Chiefs, the Indianapolis fire department, the city fire prevention division, the fire prevention committee of the Indianapolis Chamber of Commerce and the Associated Employers of Indianapolis, a joint meeting of night watchmen employed in the factories, stores and other business establishments of the city, together with the officials of these institutions, will be held Thursday, with "Fire by Night" as the theme.

"The Value of An Efficient Watchman" will be discussed by Chief Jesse A. Hutsell of the Indianapolis fire department, Richard Lieber, director of the Indiana state department of conservation, will speak on "Decreasing Indiana's Fire Loss"; William Briggs, chief of the Shelbyville fire department and chairman of the city's fire prevention committee, will tell "The Value of Fire Prevention"; Frank C. Jordan, chairman of the fire prevention committee of the Indianapolis Chamber of Commerce, will talk on "Efficient Fire Protection and Prevention"; A. J. Myers of the Indiana Inspection Bureau will speak on "The Care of Automatic Sprinklers", and Horace W. Carey, chief of the fire prevention division of the Indianapolis fire department, will deal with "Fire Prevention in Industry."

Illinois Notes

The fire loss July 11 at Joliet, Ill., to the store of Sam Slominsky was total to \$20,000 insurance. The following companies were involved: National Reserve, Buffalo, Pittsburgh Underwriters, Millers National, Dubuque, Agricultural, Metropolitan, Hibernia.

The McCreery Lumber Company's yard at Thompsonville, Ill., was destroyed by fire last week with loss estimated at \$30,000. Fire apparatus from Benton, Ill., reached the scene too late to save the buildings, but kept the flames from spreading to adjoining blocks.

NORTHWESTERN STATES

STATE FUND FARM BILL UP

Measure Once Tabled in Wisconsin Senate Revived and Is on Third Reading This Week

MADISON, WIS., July 13.—The Johnson bill in the Wisconsin senate which aims to give relief to farmers who are unable to secure insurance on their buildings from fire insurance companies is to come up for third reading in the senate this week.

The bill provides that the state be authorized to issue policies of insurance on farm property on the same basis as public property, where other insurance is not obtainable at reasonable cost. Losses are to be paid out of the state fire fund and premiums are to be paid into the fund. The rates are to be set by the insurance commissioner, who is also to determine what commission is to be paid to solicitors for this farm risk business.

Action of stock companies in withdrawing to a large extent from writing farm risks in Wisconsin is said to be the motive for the reviving of this bill, which was tabled April 7. Senator Johnson revived it June 27 and on June 30, the last day of the senate session before adjourning for a holiday vacation, the bill was engrossed in the senate and ordered to a third reading.

Executive Committee Announced

MILWAUKEE, July 12.—The executive committee for the Wisconsin Insurance Club, Bureau organization, for the ensuing year, has been announced by Fred W. Weineck, president of the club. John R. Brown, Agricultural, is chairman. The other members are Henry Miller,

Better Service to your clients when you use The COMBINATION AUTOMOBILE INSURANCE MANUAL



SCOPE OF EDITIONS
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COMPLETE—Rules, rates and instructions for all coverages applicable to automobiles of all types.

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LIBERTY
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INSURANCE COMPANY

Automobile Insurance—Full Coverage—All in One Policy
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Capital Stock \$250,000—Assets Over One Million
Surplus to Policyholders Over Half Million

Agents wanted in Ohio, Missouri, Kentucky, Michigan, Tennessee, Kansas, Indiana, Alabama and Florida

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MILWAUKEE MECHANICS' INSURANCE COMPANY
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Time-Tempered, Strength, Security and Service

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The Rough Notes Co.

EVERYTHING FOR THE INSURANCE MAN

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SERVICE to your policyholders, whether large or small, builds your business on a solid, substantial basis that yields a greater profit year after year. Render a personal and appreciated service by giving each policyholder a policy file, something that he may keep his policies and valuable documents in. Your card printed on each file guarantees your receiving full advertising value for each file given out.

No. 99, Red Tag Policy File. This envelope is made up of exceedingly tough texture and possesses enduring wearing qualities; at the same time it is light in weight. The low price makes it an excellent advertising medium. Size, 10 1/4 in. long by 4 1/2 in. wide. Capacity, six to ten policies. Prices: 1,000 \$27.00; 500, \$14.25; 100, \$3.00; 50, \$1.65; 25, \$0.85; 12, \$0.45.

Additional Charge for Imprinting
Prices quoted above do not include imprinting advertising card. Cards of not more than four lines will be imprinted at the following rates: 100 or less, \$1.50; 200, \$1.75; 300, \$2.00; 500, \$2.50; 1,000, \$3.50.
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No. 97, Expansive Policy Files. This style has sufficient expansive capacity to admit twenty-five or thirty policies and documents. The envelope is made of tough stock, having two bands of rubber at either end for holding policies securely. A record of companies, expirations, etc., is printed on the inside of flap. Prominent space is reserved for advertising card. Size, 4 3/4 in. wide by 10 1/4 in. long. Prices: 500, \$57.00; 100, \$12.00; 50, \$6.60; 25, \$3.30; 12, \$1.60.

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Capital
\$500,000.00



Incorporated
1906

Surplus to Policyholders \$1,052,665.27

Is prepared to furnish insurance as follows:

Fire; Lightning; Tornado; Automobile Fire, Theft, Collision, and Property Damage; Automobile Dealers Policies; Rents and Rental Values; Profits and Commissions; Use and Occupancy; Hail and Rain Insurance.

1898 ————— 1927

Pittsburgh Underwriters

UNDERWRITTEN BY

Allemannia Fire Insurance Co. Republic Fire Insurance Co.
National-Ben Franklin Fire Insurance Co.
Superior Fire Insurance Co.

COMBINED STATEMENT

Capital, \$2,800,000

Assets, \$16,608,174

Net Surplus, \$2,223,014

HOME OFFICE

Conestoga Building

Wood and Water Streets
Pittsburgh, Pa.

Concordia; P. F. Lewis, Boston; Charles Hall, Fish & Schulkamp, Madison; W. S. Audiss, State of Pennsylvania, Oshkosh, and the officers of the club.

Heavy Wisconsin Farm Loss

LAKE MILLS, WIS., July 12.—A large barn on the farm of Frank B. Fargo near here was burned last week with a loss estimated at about \$40,000, one of the largest farm losses in Wisconsin for a long period. The building was 280 feet long and full of machinery, new mown hay, stock and automobiles. Defective electric wiring is thought to have caused the fire.

Revive Wisconsin Fireworks Bill

MILWAUKEE, July 12.—All efforts of the past few years to bring about a sane Fourth of July went for naught this year in Wisconsin and there was a wider use of explosives and more property damage than for many years.

The result is that the Wisconsin legislature is now to be asked to legislate against the sale of all firecrackers and other explosives. A bill which would have barred dangerous fireworks was defeated in the present session of the legislature by a powerful lobby maintained by fireworks manufacturers. This bill will be revived and an attempt made to have it passed.

Return from Wedding Trip

Mr. and Mrs. Edward A. Davis of Minneapolis have just returned from their wedding trip, which included Canadian Rockies and Alaska. Mrs. Davis is the present clerk of supreme court of Minnesota and Mr. Davis is president of Jones-Davis Agency, Minneapolis; state agent of the Security of New Haven, and president of the Char-Tex Company of Des Moines.

North Dakota Hail Losses

BISMARCK, N. D., July 12.—Burleigh county, with 56 hail losses, was the heaviest sufferer from hail damage in the week ending July 2, according to records of the North Dakota hail insurance department. Morton county, with 55 losses, was close behind. The total for the year now stands at 3,177, well above the number reported at the same time last year. Total claims for last week were 417. It is said by statisticians of the hail department that losses this year apparently will not be above average.

Wind and hail did considerable damage in the territory adjacent to Grenora, N. D., the past week. About 20 square miles suffered hail damage.

St. Paul Losses High

ST. PAUL, July 12.—Fire losses in St. Paul for the first half of 1927 were higher than the entire year 1926, according to preliminary figures of Capt. John Townsend of the insurance patrol. His estimates indicate the six months' losses will exceed \$1,000,000, whereas the total for all of last year was only \$920,000.

Half a dozen large fires caused the heavy losses this year. These included the United States Bedding Co., \$500,000; Phoenix Chair Co., \$150,000; Calhoun Co. paints, \$40,000; Twin City Pipe Covering Co., \$36,000; St. Paul Trunk & Bag Co., \$34,000, and Boyd Auto Paint Co., \$23,000.

Outside of these few large fires the average run of alarms was about equal with other years.

Wisconsin Notes

David Weiss, examiner for the National Liberty at the home office, was in Wisconsin last week visiting with State Agent Fred W. Weineck.

E. J. Doctor, engineer with the T. E. Brennan Co., adjusters at Milwaukee, has been elected president of the American Business Club of Milwaukee.

Loren Lindquist, examiner in the New York office of the North British & Mercantile fleet, spent his vacation in Wisconsin the past week, visiting many cities in all parts of the state.

The Milwaukee Board has added three new pieces of apparatus to its fire insurance patrol equipment. Members of the board and the patrols held ceremonies to install the equipment in headquarters.

The report of the three Milwaukee fire patrols for June shows that they were in service 101 hours, covering 360 miles to answer 116 alarms of the 194 turned in to the city fire department. They spread 1,078 stock covers last month and 40 roof covers.

A fire loss occurred recently at Superior, Wis., when the Peace Hardware Company stock, valued at \$12,500, and

a building of \$33,500 value were destroyed. Companies on the loss were the Commercial Union, Commonwealth, American, Continental, Concordia and Norwich Union.

Northwest Notes

Miss Marion Markwood, employed at the office of the Hartford Fire at Fargo,

N. D., was married to J. Edward Ballenger of Fargo July 6. They will make their home at Aberdeen, S. D.

John L. Cohoon, an adjuster in the Twin Cities and Duluth for 40 years, is dead at his home in St. Paul at the age of 66. For many years he was an adjuster for the Phoenix Fire and in recent years had offices at Minneapolis and Duluth.

IN THE MISSOURI VALLEY

MARING IS AGAIN SECRETARY

Resumes Full-Time Work for Kansas City Local Board—Launch Advertising Campaign

KANSAS CITY, MO., July 13.—Wilbur F. Maring has been appointed secretary of the Insurance Agents Association of Kansas City, and will devote his entire time to the work of the association. Mr. Maring served as secretary in 1925 and is familiar with all the details of the work, and well acquainted with insurance men and conditions in the insurance field here. He has been connected with the A. W. Childs & Sons Real Estate Company in its insurance department since January, 1926. Mr. Maring will have his office at 702 Ridge Arcade building.

With Mr. Maring's appointment as secretary, the association is inaugurating

wrought great damage. At Iowa City and Clinton damage was mostly confined to the loss of crops from hail, while Chariton was in the path of a severe wind and hail storm. These visitations have stimulated the sale of hail insurance and farmers who had insurance are being given prompt attention by adjusters.

Jones on Eastern Trip

KANSAS CITY, MO., July 12.—Chief C. Jones of the R. B. Jones & Sons agency, with his wife and small son, has gone to Eagle River, Wis. Mr. Jones will go on to New York on a business trip, and return by way of Eagle River, coming back to Kansas City about Aug. 1. Mr. and Mrs. R. Bryson Jones are touring on the western coast with their two daughters.

Definitely Reverses Former Ruling

LINCOLN, NEB., July 12.—The Nebraska supreme court has definitely and finally recanted the doctrine laid down a few years ago in Robinson vs. Union

Automobile, that "failure of an insured person to promptly examine policy will not defeat right to have it reformed after loss." A few weeks ago, as noted in The National Underwriter at the time, it held in Jones vs. National Fire that the plaintiff "having retained the policy for so long a time without reading it, and no statement or act of the defendant prevented him from reading it, we think plaintiff is estopped and precluded from asserting that it was not his contract."

It has just entered an order denying Jones a rehearing, although his attorneys urged that it was clearly in direct variance with the decision in the Robinson case. The court holds that the duty rests upon the buyer of insurance to read his policy with reasonable promptness to ascertain if it conforms to what he wished to purchase, all the conditions being readily accessible and capable of being easily understood.

Des Moines Veterans Retire

DES MOINES, July 12.—A. L. Tullis and James Cunningham, veteran employees of the Hawkeye-Des Moines department of the Fireman's Fund, have been retired. Mr. Tullis has completed almost a score of years of service as an adjuster for the company, and Mr. Cunningham is completing half a century of service in the same capacity. Officers of the company gave a dinner last week in honor of the veterans.

Iowa Notes

Fire of unknown origin at Alton, Ia., destroyed the large general merchandise store of Henry Eggink, with a loss estimated at \$60,000.

STATES OF THE SOUTHWEST

MERGE TULSA ORGANIZATIONS

Local Board and Fire & Casualty Association Are Combined for Greater Efficiency and Strength

TULSA, OKLA., July 13.—At a meeting last week the two rival insurance organizations made up of the majority of men engaged in the fire and casualty business in Tulsa were merged under the name of the Tulsa Fire & Casualty Insurance Association. The Tulsa Board is an organization that has been in existence for over 10 years, made up of quite a number of the large agencies in the city. Alba T. Fountain of the Dickey, Ashby, Fountain Company is its present president. The Tulsa Fire & Casualty Association is an organization of insurance men formed some two years ago with J. A. Frates, Jr., as its president. The new combined organization, the Tulsa Fire & Casualty Insurance Association, will have officers as follows: R. H. Siegfried, R. H. Siegfried & Co., president; W. F. Stahl, W. F. Stahl agency, vice-president; H. C. Stehr, Exchange Trust Company, secretary and treasurer; board of directors: J. Stewart Pearce, Pearce, Porter & Martin; J. A. Frates, Jr., Frates Company; Alba T. Fountain, Dickey, Ashby, Fountain Company; John Kramer, Phil Kramer agency; George W. Nesmith, Price & Nesmith.

Purpose of Organization

The purpose of this organization is to protect and safeguard the insuring public through the formulation and enforcement of proper rules and regulations and for the maintenance of a business exchange to promote and protect the interests of the members and to inculcate and enforce proper principles and methods in the conduct of the insurance business and to keep the business on a high plane. This merged organization now represents the vast majority of the reputable agencies of the city, which handle 95 percent of the insurance written in this territory. The combined front resulting from reorganization will enable the officers and members of the organization to obtain more consideration from the insurance companies and rating authorities for the benefit of Tulsa and the insurance buying public

and to protect the public as far as possible from incompetent people in connection with the insurance business.

Annual Meeting of Texas Pond

The annual meeting and banquet of the Texas Blue Goose was held in Dallas with a large attendance. The following officers were elected: Irwin D. Stebbins, most loyal gander; Percy M. Marshall, supervisor; Jack Buckalew, custodian; W. L. Webster, guardian; Charles R. Bullock, keeper, and Herbert H. Sutton, welder. W. O. Coles, T. R. Mansfield, Henry R. Schulz, Vance D. Hoffmaster, Mitchell C. Moore and William H. Grice were named as guards, and Wirt Leake and M. G. Jarreau were chosen as delegates to the grand nest meeting in Dallas in October, with Carl M. Hunt and W. Scott Clark as alternates.

Texas Oil Field Losses

A cyclone at Edna, Tex., demolished every derrick in the Jackson county oil field. Many barns were unroofed and heavy crop damage reported in the stricken area.

Lightning and explosion caused further large additions to the heavy losses sustained on oil properties last week. The companies sustaining the losses are unwilling to attempt to estimate the property damage.

Texas June Losses

AUSTIN, TEX., July 12.—Fires caused by electrical short circuits and defective wiring systems cost Texas property owners \$46,148 in June, reports of city fire marshals to the fire insurance commission show. These losses were the largest from known causes, although conflagrations from unknown reasons did damage amounting to \$223,504. Total losses for the month were \$449,956. Firebugs destroyed property amounting to \$44,731 for the third highest total, with petroleum and its products falling next in line with \$25,608.

Rearrange Texas Field

The Security of New Haven has made arrangements with the T. A. Manning & Sons general agency of Dallas for taking over its entire agency plant and business in Texas, effective July 31. After that date agents of the Security, New Haven Underwriters and East & West will report direct to the home office.

Announcement is also made of the appointment of T. G. Sellers, formerly with the Continental, as special agent for south Texas, with headquarters at San Antonio, and of H. Guy Alexander, for-



WILBUR F. MARING

an advertising campaign through the local press. The first advertisement appeared in the July 10 edition of one of the two local papers, and the advertisements will continue each Sunday, alternating between the two papers. The program is to be an educational campaign to the insurance buying public, informing them of the existence of the Insurance Agents Association, when it was founded, what it stands for, and the service which it renders to the public through its members. The national emblem is to be embodied in all the advertising copy, with the aim of educating the public until it will insist upon the emblem on all insurance contracts. The copy will be signed by the association only, with no mention of the names of the members.

Heavy Hail Losses in Iowa

DES MOINES, July 12.—Destructive wind and hail storms visited southeastern Iowa the past week, doing great damage to buildings and growing crops. At Delta, hallstones "as large as baseballs" are reported to have fallen and a number of wholesale houses had their supply of window glass exhausted in filling orders to repair damages. Hail insurance companies are busy adjusting crop losses. In Henry county a cyclone wrecked several frame houses and hail

merly with the Texas Adjustment Company, as special agent for north Texas, with headquarters at Dallas.

The withdrawal of the Security from the Manning general agency is in line with its policy to bring its business throughout the country under direct company control.

Arkansas Blue Goose Officers

The Arkansas Blue Goose has elected the following officers for the ensuing year: Most loyal gander, A. M. Anderson; supervisor, W. F. Scott; custodian, W. H. Williams; guardian, I. C. Sparks; keeper, Charles W. Spring; wielder, C. C. Collier. Delegates to the grand next meeting at Dallas in October are C. B. Campbell, M. B. Elbert and M. J. Lafon.

South Texas Blue Goose Elects

At a meeting of the South Texas Blue Goose in San Antonio, the following officers were elected: J. Charles Pearson, most loyal gander; W. B. Moreland, supervisor; Raymond R. Rice, custodian; J. Lake Alexander, Jr., guardian; Harold Choate, keeper; Herbert A. Yarbrough, wielder; D. M. Pollard and Herbert C. Ford, delegates to grand next; R. E. L. Leiper and Charles Cotnam, alternates; P. L. Pitts, Fred A. Crawford, P. K. Johnson, J. Allen Hickman, W. S. Fontaine and Charles Beale, guards.

For the banquet the arrangement committee conceived the idea of using the talent of members of the pond instead of employing outside entertainment, and it went over in grand style. Newt Walraven of the Texas Adjustment Company gave some typical interpretations of a Mississippi Negro's understanding of the insurance business, and also character interpretations of some of the well known members present. Eugene Branshaw gave some big time vaudeville entertainment which he styled "An Interview with the Various Members on the

Subject of 'What has the Blue Goose Done for You?'"

Mortgage Form Disapproved

OKLAHOMA CITY, July 12.—At the request of the Ponca City local board, the Oklahoma department has investigated the mortgage clause recently attached to policies by a Ponca City building and loan company, and found that it could not be approved by the department because it was not according to the standard policy form which the department has sanctioned. The mortgage clause in question waived cancellation rights for non-payment of premium.

E. R. Ledbetter, president of the Associated Fire & Casualty Underwriters of Oklahoma City, said that practically all of the companies had previously instructed their agents in Oklahoma not to attach the mortgage clause to their policies under any circumstances.

Texas Notes

Houston will be further enlarged by the annexation of the municipality of Cottage Grove, which has just spent almost \$100,000 for waterworks improvements. Harrisburg, on the annexation of which Houston had counted, voted to remain a separate corporation.

M. A. Shumard, who died recently at his home near Boerne, Tex., was for many years in the insurance business in Dallas and was well known to citizens of Dallas who lived there between 1883 and 1900. He was general agent for the old German of Freeport. His firm was first Parks & Shumard and later M. A. Shumard & Co.

Two members of the insurance profession in Dallas were bereaved Friday. Charles S. W. Deiches of the M. Murphy agency lost his father, a pioneer resident of the city. Mrs. Thomas Scurry, for many years one of the leading solicitors with the I. Reinhardt & Son agency, lost her brother, Maurice Gano, a distinguished Dallasite since his very early childhood.

IN THE SOUTHERN STATES

CONDITIONS ARE STABILIZED

Agency Ranks Have Recovered from Demoralized State Which Followed Rate Increase in Kentucky

Nearly all Kentucky agencies may be said to have reached a state of normalcy again following some turmoil caused by the 12½ percent rate increase. Many agents over the state, while recognizing that the rate increase was justified from the company viewpoint, believed that the public would never pay the increased prices. They lost their nerve and the morale of some of them was so badly shattered that they made little attempt to build premiums for a period of months after the increase went into effect. Gradually the courageous agents of the state, who had continued on their way, facing the situation with harder work and more intense solicitation, convinced all that the rate increase danger was largely mental on the part of the insurance forces.

No man pays any closer attention to his insurance purchases than the farmer. Recently a farm writing expert for one of the companies went into a territory to renew the business of an agency. The business had been written on the cash plan. It was rewritten on the note plan and the aggregate premiums were ten times as great as before, while not a single farmer questioned the price of the protection. They were primarily interested in protection.

Presidential Enters Florida

The Presidential Fire & Marine of Chicago has entered Florida. Hunter Lyon of Miami has been appointed general agent. He is secretary of the Atlantic Fire. The Atlantic Fire has a general agency for Florida.

Tobacco Insurance to Be Cancelled

LOUISVILLE, July 12.—Several millions of dollars of insurance on tobacco holdings of the Burley Tobacco Growers Cooperative Association will be cancelled out in the next few weeks, as the association has announced the sale of more

than 68,000,000 pounds of leaf tobacco, which leaves the association only about 6,000,000 pounds in storage under its general cover contracts. The association continues the insurance on the tobacco until delivery is actually made.

Alabama Blue Goose Elects

At the annual meeting of the Alabama Blue Goose J. Y. Brame was elected most loyal gander. Other officers include J. T. Robertson, supervisor; J. A. Parrish, guardian; A. E. Giddings, custodian; John W. Pearce, keeper; C. Parker Smilie, wielder.

The pond is considering group life insurance and it will be approved as soon as there are 50 members. A special membership committee under the chairmanship of Past Most Loyal Gander S. L. Johnson has been appointed to secure new members.

The next meeting will be held the day preceding the annual meeting of the Alabama Field Men's Association, which will be about Sept. 1.

Richmond Exchange Election

RICHMOND, VA., July 12.—Officers of the Insurance Exchange of Richmond were re-elected at the annual meeting. They are: William T. Johnson, presi-

Made for the Severest Test

"Cheap construction—looked good—but it wasn't made for the severest test. When the flood came—the strain was too great." The Engineer was talking about dams, but what he said about being built for the severest test applies equally well to an appraisal.*

An appraisal* that does not function in the emergency, that fails in the severest test—a loss adjustment is worse than no appraisal* at all. For with a faulty appraisal* the insured is lulled into a false sense of security from which only a severe test can awaken him, and then it is too late!

Recommend Lloyd-Thomas appraisals* to your client. They are built to withstand every test. When a loss occurs you need have no concern over a satisfactory adjustment. It is after a loss that your clients will appreciate your recommendation of an appraisal* that withstands the severest tests.

"WHAT IS AN APPRAISAL?—It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—it gives the agent, the assured, and the companies value facts of property. 3rd—it makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

The Lloyd-Thomas Co.

(RECOGNIZED AUTHORITIES ON PHYSICAL VALUES)

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Whatever the need for automobile protection, a Union automobile agent or broker can render complete service. Here are the coverages this company writes:

FIRE
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50% Retention
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UNION AUTOMOBILE INSURANCE COMPANY

HOME OFFICE, UNION INSURANCE BUILDING, 1008 WEST 6TH ST., LOS ANGELES

Assets December 31, 1926.....\$2,435,262.09

dent; Herbert B. Race, vice-president; Archer L. Richardson, secretary-treasurer. The following, with the officers, comprise the executive board: Irving J. Straus, Otis M. Alfriend, Thomas Gemmell, Robert W. Cole. Messrs. Gemmell and Cole are new members. The past year there was a net gain of five members, running the total membership to 40.

Attorney General John R. Saunders, who owns a local agency at Saluda, was the principal speaker. A letter from C. P. Walford, Jr., of Richmond, former president of the Virginia Association of Insurance Agents, in which he expressed regrets at being unable to attend, was read. Incidentally, he sounded a warning that the mutuals will make a more determined effort than ever at the next meeting of the legislature to get through a bill admitting them to the stock rating bureau.

Virginia Probe Suspended

RICHMOND, VA., July 12.—The legislative commission investigating fire and casualty rates in Virginia has adjourned sine die. Dr. J. A. C. Chandler, the chairman, was unable to say when it would meet again. The commission is still delving into fire rates and has made a cursory study of compensation and automobile rates. Dr. J. M. Klamon, professor of economics at the College of William and Mary, who has been acting as statistician for the commission, announced that he planned to visit New York to confer with reciprocal operators there.

The commission again tackled the problem of computing underwriting profit and loss, putting a number of questions on the subject to Commissioner Button. The commissioner suggested that it wait and see what the United States Supreme Court had to say in the Missouri case now before that tribunal.

Georgia Pond's New Officers

The Georgia Blue Goose has elected A. F. Irby of Atlanta most loyal gander. The other officers, all from Atlanta, are: Supervisor, Marion Bleakley; custodian, Henri Polak; guardian, R. A. Redding; welder, Merrill Ewing; keeper, R. E. Bruce. The delegates to the grand nest meeting at Dallas in October are Most Loyal Gander Irby and Daniel Gober.

Charities Board Canceling Policies

LOUISVILLE, July 12.—The Kentucky Actuarial Bureau recently rerated the various properties under control of the state board of charities and corrections. Some properties caught an increase of 250 to 300 percent, plus the recent statewide increase of 12½ percent on all rates.

The board began notifying agents that on insurance expiring this year, under the plan whereby about one-third expires each year, the agents would either have to write at the old rates or it would be cancelled. A number of policies have been dropped on expiration, one company reporting over \$40,000 cancelled last month.

It is generally rumored that the board is now placing expiring business with mutuals. This has brought up the question of legality of such action, it being contended that there is a law preventing the state departments from covering with mutual insurance, which naturally would make the state a party to liability in other losses such a company might suffer.

Virginia Notes

Richmond's proposed new fire prevention code is still hanging fire. When it came up before the council last week, action was deferred until October.

Fire loss for the first six months of 1927 in Richmond, Va., was only about half of what it was for the corresponding period of 1926. Figures compiled by Fire Chief Joyner show the loss for the 1927 period to have been \$266,924 compared with \$472,950 for last year.

Kentucky Notes

George Hesse, special agent of the North British & Mercantile group at Louisville, is in the east for about three weeks at company headquarters.

Arrangements have been made for holding the annual outing of employees of the Kentucky Actuarial Bureau at the South Park Fishing Club Aug. 9.

In connection with his birthday, July 8, one of the Louisville papers carried a thumbnail sketch of Adolph Reutlinger, prominent Louisville local agent, who has been very active in local and state business the past few years, one of his big accomplishments having been in handling insurance for the Burley Tobacco Growers' Cooperative Association.

ON THE PACIFIC COAST

HIGHER RATES ARE SOUGHT

Companies Are Dissatisfied with Experience on State Buildings of Utah in Recent Years

SALT LAKE CITY, UTAH, July 13.—The state of Utah and certain insurance companies that have been carrying fire insurance on state property are in disagreement over rates. The companies want an increase in premiums and the state officials a decrease, the claim for a decrease coming as a counter proposal to the companies' demand for an increase. On policies taken out three years ago to protect buildings and equipment of state institutions valued at \$5,545,350, the companies have paid \$27,269 in losses, while the premiums paid by the state for the same period amounted to \$27,778. Because of the heavy losses the Board of Fire Underwriters has asked an increase from 50 cents to about 65 cents per \$100. This would mean an increase in premiums for the state of \$11,224, or a total of \$39,003.

Secretary of State Crockett intimated that if necessary the state will take the business from the board companies. He said it had been offered a lower rate than 50 cents. He expressed the opinion that there are strong and responsible companies outside of the board as well as within it. He also said that the fact that the losses had been rather heavy was not a good reason for increasing rates at this time. The present policies are in force till Aug. 1.

Nevada Fire Increasing Capital

The Nevada Fire of Reno is increasing its capital and surplus \$150,000 each by offering 15,000 shares of stock to present stockholders at the ratio of three of the new for each five shares now held. W. C. Pitt of Reno is president of the company, which was organized in 1914 and has been a dividend payer since 1917.

California Convention Plans

The annual convention of the California Association of Insurance Agents, usually held in September or October, will be held November this year. The meeting will be held in Sacramento.

California License Figures

SAN FRANCISCO, July 12.—There were 95,538 agents' licenses issued by the California department for the year ended June 30, an increase of 7,183 over the previous year. It is expected that when the reports on the number of brokers' licenses issued are received from the southern California office of the department it will show a material increase over 1924-1925, and will be about the 6,000 mark.

Fireworks Ordinances Effective

SAN FRANCISCO, July 12.—The value of local fireworks ordinances has been proved in the records made on the Fourth of July this year, according to Jay W. Stevens, chief of the fire prevention bureau of the National Board in San Francisco, who says that a number of cities and towns got through the annual holiday without even reporting an alarm. Others, he said, had a few alarms without any serious fires.

Consider New Earthquake Form

SAN FRANCISCO, July 12.—According to "unofficial" reports in San Francisco the fire underwriters are considering a new proposal for the writing of earthquake insurance to protect bondholders and finance corporations in California. The form, it is said, will be a single interest coverage which will give the company high exemptions and a fair opportunity of solving the earthquake insurance problem. The suggestion, according to information in San Francisco, originated in Los Angeles. It seems unlikely, however, that anything will ac-

tually be done in the matter until the companies get rid of some of the liability now on the books. This will be in the spring of next year.

Firemen's Oregon Appointment

C. W. Walls has been appointed special agent in Oregon for the Firemen's of Newark fleet with headquarters in Portland.

Charge Brokers Violate Pledge

SAN FRANCISCO, July 12.—Certain brokers holding membership in the San Francisco Insurance Brokers Exchange are accused of placing business with non-board companies, in violation of the pledge of their organization that only companies belonging to the Pacific Board will be patronized.

Enters General Agency Field

The Insurance Finance Corporation of Hollywood, Cal., has entered the general agency field, with Fred C. Taylor as manager. It is owned by stockholders of the Mountain States Life, which now has its home office in Hollywood, and was organized primarily as a bond and investment company. Leslie E. Hubbard, vice-president and general counsel of the Mountain States Life, is president of the corporation. It will write all lines of insurance.

Mr. Taylor has been in the insurance and investment business for more than 16 years, having served as manager in Montana for Crum & Forster, general manager of the Fred C. Taylor Company of Portland, Ore., general agent in San Francisco for the Home companies of Arkansas and more recently in the mortgage loan business in Los Angeles. The corporation will have offices in the Guaranty building at Hollywood, where the Mountain States Life is located.

Change in Firm Name

Harris & Watson, Inc., well known Pacific Coast general agency, has changed its name to Harris & Spear, Inc. The firm, now writing an annual premium volume of approximately \$1,500,000, represents as California general agents the Milwaukee Mechanics, Ohio Farmers, Pennsylvania Underwriters, Ohio Casualty, Milwaukee Underwriters, and is the United States manager for the Canadian Fire of Winnipeg.

President R. L. Harris is well known to insurance officials, being a frequent visitor to the east and middle west. Vice-President Fred A. Spear has been associated with the former firm of Harris & Watson since 1922 as east bay manager and as vice-president since 1923. The change follows the death of Charles R. Watson of the firm.

Lauer to Represent Grand Nest

Deputy Most Loyal Grand Gander G. L. A. Lauer of the Seattle Blue Goose will represent the grand nest at the adjourned annual meeting of the British Columbia pond to be held July 15 at Seaside park, near Vancouver. Invitations were also extended to the most loyal ganders of the Seattle and Oregon ponds by the British Columbia ganders.

Big California Oil Loss

It is estimated that the recent fire in the Alamitos Heights oil field near Long Beach, Cal., caused a loss of approximately \$1,000,000. A check of the field revealed the following losses: California-Eastern Oil Company, \$175,000; Richfield Oil Company, \$150,000; Union Petroleum Company, \$150,000; South Coast Oil Company, \$150,000; Coast Oil Company, \$200,000; Craigen Oil Company, \$125,000. Damage to pipe lines, boilers, machinery and field equipment will reach \$50,000, it is estimated.

Coast Notes

Pacific Coast Manager B. A. Sifford of the Security of New Haven announces the appointment of Paul A. Allan as city manager in San Francisco. Mr. Allan formerly was with the H. M. Newhall general agency.

The packing house of the Duquesne Orange Packing Company, near Charter Oak, Cal., was totally destroyed by fire last week with loss estimated at \$30,000, partly covered by insurance. The cause of the fire is unknown.

A loss estimated at \$100,000 resulted

from fire that started in the factory of Baird & Bell, manufacturers of motorized butcher shop equipment in Glendale, Cal., last Thursday. The fire was caused when a spark from a rheostat ignited the vapor in the room where one of the partners was spraying lacquer with an electrically operated spraying device.

IN THE MOUNTAIN FIELD

INSPECTION BUREAU CHANGES

Albuquerque Manager and Engineer for Bureau Leave Aug. 1 to Join Denver General Agencies

Arthur O'Mara, district inspector and manager of the Albuquerque, N. M., branch office of the Mountain States Inspection Bureau, leaves the employ of the bureau Aug. 1 to become special agent for Standart & Main, general agents. He will work under E. M. Brewster and make Denver his headquarters. Henry Collins succeeds Mr. O'Mara at the Albuquerque office.

Karl E. Eppich, who for the past three years has been engineer for the Mountain States Inspection Bureau, is also leaving Aug. 1 to become a member of his father's firm, Ed. P. Eppich & Co., general agents in Denver. Mr. Eppich is a graduate of Armour Institute of Technology in fire protection engineering.

Big Loss on Tungsten Plant

A fire of unknown origin, which destroyed the tungsten mill of the Wolf Tongue Mining & Milling Company at Nederland, Colo., last week, caused a loss estimated at \$100,000. The plant has been in operation for 23 years and is one of the main supports of Nederland. The mill was only insured for \$25,000, but it is understood that it will be rebuilt as soon as possible.

Making Survey of Pueblo

Representatives of the National Board from Chicago are in Pueblo, Colo., making a survey of the physical features of the city to arrive at a new classification.

Lauer Touring Mountain Field

A. J. Lauer, engineer of Marsh & McLennan in their Chicago office, who is a frequent visitor at the office of the Mountain States Inspection Bureau, is making his annual inspection tour of the mountain states, servicing his firm's business. Before returning to Chicago, Mr. Lauer will also cover the states of Utah and Idaho.

Colorado Blue Goose Outing

DENVER, July 12.—The Colorado Blue Goose is making preparations for the annual picnic and outing, which will be held on July 23 at Bendemeer, 32 miles from Denver. The lodge grounds offer many attractions, and there are fishing, hiking, riding and other things to occupy the ganders and their families.

Miscellaneous Notes

T. E. Braniff and family left Oklahoma City Tuesday on a motor trip to points of interest in Colorado and Wyoming.

The Cushing Oil & Refining Company, Cushing, Okla., suffered loss estimated at nearly \$20,000 from fire. The loss was entirely covered by insurance.

The First Presbyterian Church at San Marcos, Tex., was gutted by fire and a house across the street fired by flying sparks, with resultant loss of \$21,000.

The new Kansas handbook in listing the R. D. Thomas & Co. agency at Emporia, omitted the name of John M. Hilton, who is manager of the agency and also part owner.

An estimate of \$50,000, considered low, was made of the loss to the Standard Oil Company's plant at Baton Rouge, La., which was struck by lightning and set fire by an explosion so terrific that the top of the huge receptacle was hurled 75 feet in the air.

Charles G. Blair has become associated with Charles E. Boyland of the Boyland & Co. agency, Grand Rapids, Mich., the new firm to be known as the Boyland & Blair Co., with offices in the Grand Rapids Savings Bank building. Mr. Blair was formerly manager of the insurance department of the Kinsey & Buys real estate agency.

NEWS FROM EASTERN FIELD

CONNECTICUT COMPANY TAX

Total Due July 15, Based on Market Value of Stock Oct. 1, 1926, Is \$979,725

HARTFORD, July 13.—The franchise tax on stock insurance companies doing business in Connecticut, due July 15, will amount to \$979,725. The tax is laid on the market value of shares of stock outstanding Oct. 1, 1926, at a rate of 2 mills. The total taxable valuation of the stock of the 24 stock companies in Connecticut is \$489,862,900. Last year it was somewhat higher and the tax collected was \$1,042,186.

The tax, which will be paid by some of the larger companies, follows: Aetna (Fire), \$50,000; Aetna Life, \$168,868; Aetna Casualty, \$28,400; Automobile, \$18,000; Connecticut Fire, \$13,000; Connecticut General Life, \$64,000; Hartford Accident, \$10,000; Hartford Fire, \$92,000; Hartford Steam Boiler, \$32,000; National Fire, \$41,400; Orient, \$7,000; Phoenix (Fire), \$54,000; Russia, \$10,240; Security of New Haven, \$9,960; Standard Fire, \$5,610; Travelers Indemnity, \$11,850; Travelers, \$351,000; World Fire & Marine, \$2,800.

AMERICAN UNDERWRITERS FORMED IN WASHINGTON

WASHINGTON, D. C., July 13.—A new \$2,000,000 fire insurance company, known as the American Underwriters, has been organized here. The exact amount of capital and surplus are not stated. The project is headed by William S. Quinter, who has been engaged in the fire insurance business. Mr. Quinter is also president of the Kiwanis Club, president of the Building Association Council of the District and president of the District Building Association. The organizers plan to merge several smaller companies to form one institution of considerable size. Business will be written through the American Underwriters Association. Others interested in the organization of the company are as follows:

Anton Stephan, president of the Merchants & Manufacturers Association, treasurer Real Estate Mortgage & Guarantee Co., and managing director of Dulin & Martin; W. Spencer Armstrong, attorney, vice-president Columbia Title Insurance Co., and Real Estate Title Insurance Co.; John T. Meany, president

Stone & Fairfax and a director of the Acadia Mutual Life; Stanley H. Horner, president Stanley H. Horner, Inc., automobiles, president Washington Automotive Trade Association and chairman of advisory board Washington Division of

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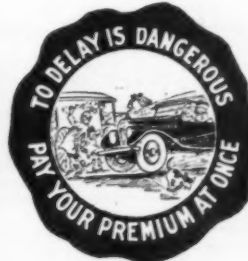
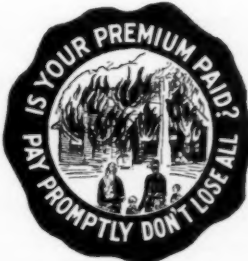
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Names Acting Deputy Commissioner

Carville D. Benson, Maryland insurance commissioner, announces the appointment of Hazleton A. Joyce as acting deputy commissioner. Mr. Joyce has served in every capacity, with the exception of commissioner, since his connection with the office 14 years ago. His appointment as acting deputy commissioner makes him eligible for the post of deputy commissioner to succeed the late Wilson L. Condon. Mr. Joyce is 49 years old and a native of Cambridge, Md.

Open Life Department

E. R. Elliott & Co. of Baltimore announce the opening of a life insurance department in connection with their other lines. Elliott & Co. for more than 25 years have represented the Travelers as state agents in casualty and fire lines. The new life department will be in charge of Edward P. Weedon, Jr., who has been engaged in agency work and personnel production for the Equitable of New York and the Travelers for 18 years.

Baltimore Insurance Society Elects

BALTIMORE, July 12—Preston D. Callum, widely known casualty man, was elected president of the Insurance Society of Baltimore at the annual meeting, which was followed by a dinner and entertainment. Walter A. McGlannan declined to accept the office owing to a press of business and remains as first vice-president.

Other officers elected were: John G. Reese, second vice-president; Carl F. Gail, third vice-president; R. W. Neal, secretary-treasurer, and Edgar R. Donaldson, Jr., assistant secretary.

Connecticut Mutual's Hail Business

HARTFORD, July 12—Hail insurance on the 1927 tobacco crop written by the Connecticut Valley Mutual of Hartford at the close of business July 5 totaled 2,740 acres. This figure compares favorably with the amount of insurance written at the same time in 1926.

The policies written by the company insure each acre of tobacco for \$300, regardless of the variety. Premium rates are \$30 an acre on all new policies. A dividend of \$5 is declared on all renewals of 1926 policies, making the rates in such cases \$25 an acre.

Eastern Notes

Robert E. Fluke and S. Fred Lamp, both of Altoona, Pa., have formed a partnership there and entered the insurance business.

The Arthur Agency of Buffalo, N. Y., this city, has been chartered to do a general insurance business. The incorporators and stockholders are Lenore Rubenstein, Helen Persons and Marjorie P. Clare all of Buffalo.

NEWS FROM CANADA

STEWART ELECTED PRESIDENT

Western Canada Insurance Club Holds Annual Meeting at Winnipeg—Award Curling Cup

WINNIPEG, July 13.—The annual meeting of the Western Canada Insurance Club took place here last week with a good attendance. W. H. Hurd was in the chair as president. After the routine business had been disposed of, President Hurd presented the cup to Smith, Fess & Denison, winners of the Western Canada Insurance Club curling trophy. Col. Baxter, secretary of the Manitoba Chamber of Mines, delivered an interesting address on the operations and development of the central Manitoba mining area, and illustrated his subject with a very fine series of pic-

tures taken while he was touring the district.

Officers elected for the ensuing term were: D. J. Stewart, president; John Pickering, vice-president. For the executive committee, the following Winnipeg members were elected: B. M. Armstrong, N. J. Black, W. H. Hurd, J. V. Nutter, J. C. Waugh, H. H. Smith, C. W. O. Lane, F. J. L. Harrison, F. T. Bryers, John R. Morgan, N. Stuppard, Douglas Cowrie, J. J. Milne, F. G. Mitchell and Thomas Bruce. Those elected on the executive committee, representing outside points, were: O. E. Tisdale, Calgary; E. B. Allsopp, Edmonton; D. A. Smith, Lethbridge; E. P. Blackshaw, Medicine Hat; I. C. Sutton, Moose Jaw; H. Holroyde, Prince Albert; C. S. Keating, Regina, and Gilbert Swain, Saskatoon. Walter J. Blackburn continues in office as secretary of the club.

Tornado Losses in Alberta

Both business and residential sections of the town of Rocky Mountain were badly damaged by a tornado which struck this Alberta town and also the town of Vulcan. Many buildings were demolished in Rocky Mountain, including the general store and the office of the forestry department. Roofs were blown off two hardware stores and a feed store. A furious hailstorm followed, which broke all the windows of buildings facing the outburst. At Vulcan, a general store, the skating and curling rink and a garage were badly damaged, but no great damage was done to crops outside.

Vancouver Institute Season Successful

VANCOUVER, B. C., July 12.—The Insurance Institute of Vancouver had a most successful season. This has been conducted under the auspices of the Vancouver Fire Insurance Agents' Association and prizes were donated by the British Columbia Fire Underwriters' Association for the best paper on "Forms and Tariff Regulations." A prize was also given by P. G. Shallcross for the best essay on "Fire Insurance as a Profession." The president of the British Columbia Fire Underwriters Association, John Anderson, offered a prize for the best paper on the "Syllabus for 1926-7" and the secretary of the same organization offered a prize for the junior ladies for the best essay on the same syllabus. The Blue Goose gave a prize for the best essay on "Friction in Competition—How It Can Be Lessened." The attendance at all the lectures was very good and the interest taken in the competitions most satisfactory.

W. C. F. U. A. Team Leads League

WINNIPEG, July 12.—The Western Canada Fire Underwriters Association has won every game in the Fire Insurance Soft-Ball League, the schedule of games being completed this week. The winners will now meet the Occidental Fire team to decide the championship in a series of three games, the first of which will take place at the annual picnic of the Western Canada Insurance Club, July 21. On past performances it looks like a walk-over for the underwriters.

Canadian Notes

C. G. Langrill, Yorkton, Sask., has been appointed to represent the American of Newark.

Lawrence E. Howard, Portage La Prairie, Man., has been appointed to represent the Continental.

The Manitoba General Agencies, Portage La Prairie, Man., have been appointed to represent the American of Newark.

Murray G. Doyle has been appointed manager of the insurance department of W. S. Newton & Co., well known Winnipeg firm.

The Monarch Hotel at Nacme, Sask., was destroyed by fire with loss totaling \$30,000, partly covered by insurance. The building belonged to the North America Collieries.

According to the "Monetary Times," fire losses in Canada for the week ending June 29 are estimated at \$234,000, as compared with \$174,700 for the corresponding week last year.

Locomotive shops and the warehouse of Morrissey, Fernie & Michel railway, a subsidiary concern of the Crows Nest Pass Coal Co., were destroyed by fire, the loss being estimated at \$50,000.

MOTOR INSURANCE NEWS

CLAIMS NOT SUBSTANTIATED

Carrier Was Unable to Produce Records to Prove Its Right to Deny Liability

In the case of the Cook Motorists Corporation of Kankakee, Ill. against the Casualty Association of America, a Detroit reciprocal, the supreme court of Michigan affirmed a judgment of the lower court for \$5,927 against the carrier. In 1923 the Motorists Corporation sold to the City Cartage Company, a trucking concern, a number of trucks for which the management of the truck lines agreed to pay on a monthly installment basis, giving the Motor Corporation a chattel mortgage and insuring the trucks to protect the interests of both companies against fire, theft and collision. The reciprocal at first issued policies on each truck but later a blanket policy was substituted to cover all trucks and trailers of the cartage company. It appeared that later the cartage company got into difficulties and assigned its interest in the insurance back to the truck company, which began suit for recovery of losses which had occurred in the meantime.

Proof Not Advanced

The defendant insurance carrier argued that a clause in the policy voided it "if the interest of the assured in the subject of insurance be other than unconditional and sole ownership." The court ruled that no proof was advanced that a chattel mortgage existed and that it could not be shown that the title was retained in the plaintiff, and that, therefore, there was no legal proof that the cartage company was not sole owner. Liability was also denied on the ground that the cartage company sustained no loss as it did not own the trucks. The court said that lack of records to show any abrogation of the contract under which the trucks were purchased removed the basis for this contention.

Convicted of Auto Insurance Fraud

As a result of trying to collect insurance on an automobile which he did not own and had never seen, Herman V. Thackston, a former merchant of Charlotte Courthouse, Va., was convicted there last week and fined \$502.50, \$500 for forging a registration card and \$2.50 for defrauding the St. Paul Fire & Marine on theft insurance placed on the

car. Each fine was the minimum penalty under the law.

Bernard P. Carter, Virginia state agent for the St. Paul, became suspicious of the fake claim, and was largely instrumental in bringing about his arrest and conviction.

May Test Towing Charge

MILWAUKEE, July 12.—A situation has arisen here which is of interest to insurance men. Sheriff Schallitz of Milwaukee county may start a test suit to determine whether the sheriff and police have authority to order automobiles, wrecked on the highways or left in the streets, towed into garages at the expense of the owners.

It is pointed out that from an insurance standpoint it is better to have the cars towed into garages rather than have them stand by the side of the road as a hazard to other automobilists, and also that when they are put into a garage they will not be stripped of parts as they might be and many times are, if left on the road or in the ditch. Towing bills have been paid heretofore in many instances by insurance companies without any question, as they would rather have the cars brought into a garage.

Automobile underwriters here are also interested in the formation of the new Auto Trade Salvage Company organized by the Milwaukee Automotive Dealers Association to salvage junked cars.

Interstate Directors Must Pay

ROCK RAPIDS, IA., July 12.—A judgment of nearly \$500,000 against directors of the Interstate Automobile has been affirmed by the Iowa supreme court. The case was a result of the failure of the Interstate, in existence here several years ago, but sold by the directors to the Gardner Mortgage Company, Bloomington, Ill. When the Illinois concern failed, the receiver instituted suit against the Interstate directors for \$450,000, the amount of the deposit with the state auditor. The deposit was in Liberty bonds and was exchanged for notes of the Gardner Mortgage Company. The trial court held against the directors but on appeal the supreme court reversed the finding. The receiver obtained a rehearing and the supreme court reversed itself, affirming the trial court.

Louisville Recovery Record

LOUISVILLE, July 12.—In June 148 automobiles were stolen in Louisville, and 139 recovered, all but five belonging to Louisville people. Eleven arrests were made as a result of the thefts. Value of motors stolen was given by the police department at \$72,500 and those not recovered at \$3,700.

CHICAGO BOARD WILL VOTE ON AMENDMENTS

(CONTINUED FROM PAGE 7)

\$100 for the first offense, \$200 for the second and \$500 and expulsion from the board for the third.

Expect Strong Support

There is no question but that this set of fines will be put into effect if the new rules are passed, and that it will have a decidedly wholesome effect upon the companies that are now so liberally and so generally paying excess commissions to get Class 2 business. Every company will be placed on the same commission scale and it will not be difficult to determine where violations are being made and by whom. The companies maintaining Cook county branch offices are going to vote for the new rules because they believe that they will stabilize conditions among Class 2 agents and put every company on an equal footing so far as the payment of commissions is concerned. In fact a number of companies which are interested primarily in Class 2 business will vote for the new rules principally because they provide a set of fines that apparently will eradicate the excess commission evil among Class 2 agents.

There are 107 members of the board

who are Class 1 agents and 45 company members, making a total of 152. It is expected that approximately 80 percent of the Class 1 agents will vote for the new rules and something less than half of the company members will vote in favor of them, which means that the rules will in all probability pass. A 60 percent vote is required and those who have been making a close study of the situation predict that the rules will be favorably voted on by from 110 to 125 members.

Many Incompetent Agents

One complaint that is made about the present situation in Cook county is that of the 5,000 Class 2 members of the board, at least 3,500 are incompetent and unqualified to act as intelligent and well equipped agents. They are in effect nothing more or less than brokers. On ability they are not entitled even to as much commission as brokers because they do not administer their affairs as intelligently nor do they give as high grade of service to their assureds. They have been appointed principally by companies which see to it that they write their policies and give them so much more service that they are actually brokers very much more than they are agents. It is felt that in placing the Class 3 members or full time brokers upon the same commission scale as these

3,500 members that no injustice is being worked upon the Class 2 members, but that instead an equitable adjustment of commissions is being made between the brokers and the Class 2 group.

Will Set Precedent

The opposition is centered on the argument that it is useless to try to regulate the commissions of Class 2 agents and brokers unless Class 1 agents are regulated. The statement is made that if brokers and Class 2 are paid 15, 20 and 25, that establishes 25, 30 and 35 as the commissions for Class 1. While in most cases these commissions are now being paid, the opponents declare that they are not legalized and if in the future it is possible to bring Class 1 under control, companies should not be forced above 20, 25 and 30 percent. Some of the managers say that this schedule established at St. Louis was able to carry weight on the strength of the fact that the companies assured St. Louis agents that no other excepted cities would have any greater advantage. The feeling is expressed that by regulating only Classes 2 and 3, the door is left wide open through Class 1. Another argument used is that the proposed commissions in Chicago are much higher than any in the east and will make a bad precedent for any future legislation looking toward the regulation of commissions in the central west.

Tremendous Volume Involved

In response to this, the argument is made that Cook county is an entirely different proposition from even the other large cities in Western Union territory. Last year the companies collected \$29,000,000 of premiums in Cook county, which is more than was collected in 36 states. In other words there are only 12 states in the union in which more business was written than in Cook county. The Chicago Board serves a total population of 5,000,000, and it is declared that under these circumstances it should not be placed in the same classification as other cities where the conditions are not in any way similar.

Meet for Discussion

A meeting of the Local Agents' Club of Chicago, which is composed of the commissioned agents, was held Tuesday to discuss the new board rules.

August Torpe, Jr., president of the Chicago Board, gave a luncheon last week to which were invited the managers of western departments in Chicago for the purpose of discussing the proposed changes in the board rules. The meeting was exceptionally well attended and every phase of the situation was discussed by the company officials present.

Of significance was the conference held in New York Monday evening called by President Richard M. Bissell of the Hartford Fire. John M. Thomas, western manager of the Aetna and George H. Bell, western manager of the National of Hartford were called to New York to give their points of view. Mr. Bell is opposed to the proposed system and Mr. Thomas is in favor of it.

Aldehoff Gets New Brunswick

The New Brunswick Fire, now one of the Home group, has appointed John S. Aldehoff & Co. of Dallas its general agents for Texas, in which territory the Aldehoff office has been operating for years and has a fine agency plant.

Perry J. Hobbs Dies

Perry J. Hobbs of Joliet, Ill., for many years general adjuster in the western department of the Hartford Fire, died last week at his home at the age of 80 years. Mr. Hobbs retired from business some years ago when the late John J. Purcell was made general adjuster. Mr. Hobbs was formerly a local agent in Joliet. He became special agent of the Hartford Fire in Ohio and later was appointed a staff adjuster, being sent into different fields. Then he was made general adjuster in the western department. There attended the funeral

W. C. Miller, general adjuster; Frank Stevens of the loss department; General Agent A. G. Dugan, Assistant General Agents W. C. Boorn, Clem E. Wheeler and James D. Vail.

Sterling Fire Liquidation

The final liquidation of the Sterling

Fire of Indianapolis has been made by the receiver, Edwin Speers. There was a fund amounting to \$480,250 for final distribution. The stockholders received more than twice the value of their stock, \$20.65 being paid on each share for the par value of \$10. A previous distribution of \$1,275,000 had been made thus

bringing the total distribution to \$1,755,250. The liquidation started in June, 1926. The Sterling concluded to liquidate following the discontinuance of its contract with the Hartford Fire.

Dr. Swain Goes to Hartford

Dr. J. F. Swain of Swain & Boyd of

Chicago, general agents of the Hartford Live Stock, has gone to the home office and will be there for a number of months, taking charge of the company business at the head office. Frank M. Boyd remains in charge at Chicago.

The Atlantic Fire of Raleigh, N. C., has applied for admission to New York.

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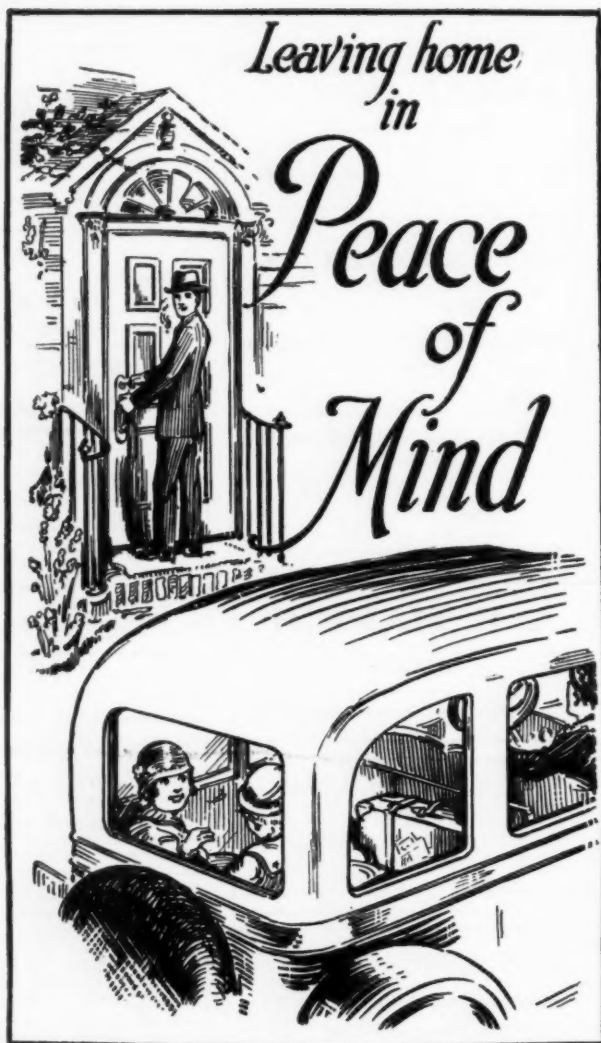


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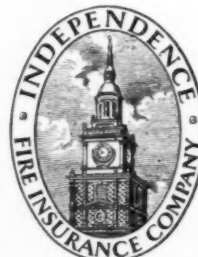


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The National Underwriter

July 14, 1927

CASUALTY AND SURETY SECTION

Page Thirty-one

ACTION ON ACCIDENT POLICY IS APPROVED

Underwriters Endorse Move Made by the Travelers on Life Indemnity Feature

EXPERIENCE IS DICTATOR

Companies Wish to Protect Those Whose Mishaps Are Real—Restrictions Put on Speculators

NEW YORK, July 13.—Unqualified approval is given by casualty underwriters here to the recent action of the Travelers in modifying the conditions under which it will pay life indemnity on its accident policies. The departure is in keeping with the pronounced trend in the business, and one which it is predicted all companies will adopt soon or late.

The question has been raised of whether the language employed in the concluding sentence of the company's notice to the field is not ambiguous, in that the "engaging in any occupation or employment for wage or profit" might not be construed as performing any class of work, however menial or unremunerative. The courts generally have held in cases of this character that the new employment must be in accord with the assured's former endeavor.

Curtailment Resulted

Following the period of extreme liberality in the drafting of both accident and health contracts, when competition between the companies induced the granting of concession after concession to assureds without commensurate premium therefore, the inevitable resulted. Claims mounted rapidly and to such degree that in 1919 policy provisions were curtailed one after another, a process that has since continued and which, it is declared, will obtain until the loss ratio reaches normalcy.

In the five years ended Dec. 31, 1917, the companies lost heavily on health business, suffering still more severely in 1918 as a result of the "flu" epidemic, compelling not only a sharp revision of policy provisions, but an increase in rates as well. Commenting on this action at the time, Burton C. Mansfield, then insurance commissioner of Connecticut, said in part:

Rates Forced Upward

"Many health and accident companies have found it advisable to increase rates. This is not a sign of weakness, but a recognition of the necessity of putting the business on a more secure foundation. Heretofore competition for this class of business has forced rates down to what might be termed rock bottom, and the recent epidemic undoubtedly has brought about a change which will eventually put the business on a much more secure foundation. In general, it may be said that the two lessons the epidemic has taught are, the need for substantial surplus funds for both life

RESERVES FOR UNREPORTED LOSSES ARE ANALYZED

COMPANIES CONDUCT STUDY

Follow Beha's Suggestion to Devise Some More Accurate Method of Setting Aside Funds

NEW YORK, July 13.—Following the suggestion made by Superintendent Beha last January that all stock casualty and surety writing companies not confining their business solely to liability and workmen's compensation insurance, adopt a measurably accurate basis for establishing reserves on incurred but unreported losses at the end of each year, thereby eliminating the haphazard estimating employed by a number of offices, a number of conferences have been held by company representatives and still other meetings are scheduled to take place in the near future. It has been agreed that the chief accountants of the companies concerned shall tabulate the amount of reserves set aside by their respective offices with which to meet incurred but unreported claims, prior to Dec. 31 of each year, for five years, together with the sum finally paid upon such losses. This will indicate how nearly the estimated reserves approached the claim payments. It is anticipated that a five years' record will afford a fair average, the suggestion being that a revision of records be made henceforward upon such basis.

Inadequate Reserves Shown

The New York department has been giving close attention to reserves set aside for both reported and unreported losses and has been anxious that some uniform method be employed for establishing reserves, on the latter particularly, rather than leaving the matter to the individual judgment of the companies. In the tabulation issued by Mr. Beha in connection with his communication of Jan. 26, it was disclosed that certain companies underestimated their reserves on fidelity business over 900 percent, and upon the surety line in excess of 420 percent. Some offices put up full reserves, but the fact that so glaring a discrepancy could exist at all alarmed the superintendent and impelled his request that a more accurate method be employed. Company executives are fully awake to the situation and with their chief accountants are studying means of coping with it.

and health and accident companies, and the need for increased rates in the case of the latter companies."

Companies long ago discovered that the life indemnity feature of both their accident and health contracts was an expensive proposition, numerous claims having been filed. It is no unusual thing for offices to pay life indemnities anywhere from 10 to 20 years. Hence the disfavor into which the practice speedily fell.

Whence Profit Comes

Company executives generally assert there is little profit to companies in policies calling for an annual premium in excess of \$25. Persons taking out small contracts are in the main of very modest means, and when they meet with

OPENS LONDON OFFICE FOR CREDIT INSURANCE

U. S. F. & G. EXTENDING FIELD

Covers Specific Risks on Shipments by English and European Exporters to American Importers

BALTIMORE, July 13.—The United States Fidelity & Guaranty has opened an office in London for writing credit insurance on specific risks arising from shipments made by English and European exporters to American importers.

Arthur W. Robinson, a former Baltimorean, who has been engaged in the exporting business for the past 15 years, has been named to represent the company there.

Line Developing in Europe

"The interest taken in credit insurance, both in this country and abroad, continues to increase," declared Francis G. Bartlett, assistant superintendent of the credit insurance department, in commenting on the opening of the London office.

"A few months ago a meeting was called in London for the purpose of discussing the ways and means of developing credit insurance throughout Great Britain and Europe. At this meeting there were present representatives from 18 countries and plans were made and put into operation for underwriting credits in all the countries represented.

Important to Manufacturer

"A manufacturer will carry all the fire and burglary insurance he can possibly secure on his goods while they are in the process of being manufactured, despite the fact that his plant is adequately protected by local fire and police departments. The minute an order is received for the sale of these goods they pass out of the 'snug harbor' of the manufacturer and enter the most important and hazardous stage of their voyage.

"All this expense which the manufacturer has incurred in protecting his goods while in his possession is wiped out if the company buying the finished article fails to pay for it. It is therefore just as important, if not more so, that a manufacturer carry a credit insurance policy covering the accounts of his customers, as to carry fire or burglary insurance on his products."

TABULATE WISCONSIN MINIMUM RISK DATA

Experience for Years 1924-25 Compiled by Compensation Rating Bureau

LOW GROUP FAVORABLE

Deviations from General Level Not Important Until After \$100 Mark in Premiums Is Passed

MILWAUKEE, July 13.—Minimum premiums for compensation insurance in Wisconsin have been tabulated by the rating committee of the Wisconsin Compensation Rating & Inspection Bureau, after examining the loss ratio exhibit covering the policy years 1924 and 1925, submitted by member companies. The committee at its special meeting called to discuss minimum premiums, which have been under consideration for several months, decided that the situation does not call for any amendment in the determination of premiums for small risks and the subject is tabled until such time as the National Council may present some plan for further consideration.

Special Minimum Premiums

The committee, however, did not incorporate the question of special minimum premiums in its vote, and presented a number of classifications to the Wisconsin Compensation Insurance Board to have special minimum premiums approved by the board.

One suggestion for meeting the problem of minimum premiums called for a revision of the basis of computing minimum premiums to 15 times the rate, and further that for every policy where either the minimum premium so computed, or the earned premium, is less than \$150, there be an additional policy charge of \$12, and that the said \$12 be graded out between the point of \$150 premium and \$300 premium, at which point it will be entirely eliminated. When the committee took a vote on this suggestion at one of its earlier meetings, a tie vote resulted. It was then decided to ask for loss ratios for the two policy years.

Exhibits Show Interesting Figures

The loss ratio exhibit presented some interesting figures on compensation insurance in Wisconsin and somewhat exploded the conclusions reached respecting the inadequacy of premiums for risks falling within the lower premium ranges.

The loss ratio for both mutual and stock companies for both years for risks in the minimum premium group is 58.8 percent, which is exactly the average loss ratio for all risks. The total number of all risks for the two years for all companies was 40,693, with a premium earned amounting to \$11,306,651, and losses incurred of \$6,646,030.

The risks falling in the group \$0.00 to \$24, developed a loss ratio of 76.7 percent, but it was on a basis of \$78,293 of

(CONTINUED ON PAGE 38)

premiums only, and is by far the smallest premium group in the entire exhibit. The next group, \$25 to \$49, indicates a loss ratio of 62.6 per cent, followed by 52.5 percent for group \$50 to \$74, and 51.6 percent for group \$75 to \$99.

Biggest Deviation Above \$100

This brings to a termination all risks wherein the premium is less than \$100 and projects an average loss ratio for all stock companies of 55.1 percent and 59.7 percent for mutual companies, as compared with an average for the former on all business of 65.4 percent and of 55.8 percent average for the mutuals.

The group \$100 to \$149, with premiums of over \$500,000, is the only one in the exhibit which, from this point on, shows any sharp deviation from the average, with a loss ratio of 73.7 percent. However, loss ratios in excess of 60 percent are developed in the interval of \$500 to \$999, also in that of \$2,000 to \$2,999, and in the interval of \$5,000 to \$9,999 the loss rate exceeds the average loss ratio, being 59.5 percent.

Comparison of Groups

Grouping the intervals, it was found that all risks with premiums less than \$100, with a total premium of over \$1,000,000, developed a loss ratio of 57.2 percent for all companies. In the next group, taking in all risks coming within the range of \$100 to \$499, a loss ratio of 61.7 percent is noted. In the group of risks lying in the interval of \$500 to \$2,000 the loss ratio is 57.6 percent. In the risks lying in, between \$2,000 and \$10,000, with total premiums of \$3,100,000, an average loss ratio of 59.8 percent is indicated, while a loss ratio of 55.8 percent is observed in connection with all risks developing a premium of \$10,000 and over, and having a total premium of \$1,905,000.

Stock and Mutual Writings

In the two years, mutual companies wrote 22,572 risks compared with 18,121 for stock companies, with a premium amounting to \$7,772,327 against \$3,534,324 for the stock companies, or 68 percent of the compensation business compared with only 32 percent written by stock companies.

In the policy year 1924 the stock companies wrote 8,781 risks with a premium earned of \$1,711,767 and losses incurred of \$1,074,018, resulting in an average loss ratio of 62.7 percent. Mutuals covered 11,089 risks with \$3,792,656 premiums earned in that year, and \$2,071,820 in losses incurred, for a total average loss ratio of 54.6 percent.

Figures on 1925 Business

Business written by stock companies in the policy year 1925 covered 9,340 risks having an earned premium of \$1,822,557, losses incurred of \$1,237,434 and an average loss ratio of 67.9 percent. The number of risks covered by mutuals in that year amounted to 11,483 and premiums earned to \$3,979,671, with losses incurred of \$2,262,758, and an average loss ratio of 56.9 percent.

The exhibit represents substantially all of the experience of a dependable nature developed in the state, and is all placed on the level of the stock company premiums, that is, on the basis of an expense loading of 38 percent, thus placing the mutual experience on a comparable basis with stock company experience.

Mutual Official's Comment

Commenting on the tabulation from the standpoint of the mutuals, W. H. Burhop of the Employers Mutual Liability, Wausau, Wis., in a letter to the field men of that company says:

"The stock insurance companies have contended for some time that there should be a substantial increase in the minimum premiums, in fact an increase for all the small risks. Stock companies have maintained that small risks are responsible for the high loss ratio and therefore should have their premiums increased. Stock companies have also argued that they are carrying the bulk of this class of business and consequently are affected to a greater extent

LAW NOT CONSTITUTIONAL WHEN CONDITIONS CHANGE

GIVE INTERESTING DECISION

Massachusetts Supreme Court Says Old Statute Holding Telegraph Companies Liable Is Now Void

NEW YORK, July 13.—Liability company officials are interested in the recent decision of the Massachusetts supreme court in the action of Irene Vigeant against the Postal Telegraph Company; the court holding that "a statute, valid at one time, may be void at another because of altered circumstances." The plaintiff in the case sought to hold the defendant corporation liable for damages sustained when the automobile in which she was riding struck a telegraph pole, quoting in support of her contention the state law which provides that "a telegraph company shall be liable in damages to the person injured in his person or property by the poles, wires or apparatus of such a company." No allegation of negligence on the part of the defendant body was made.

Basis for Court's Ruling

The statute in question was declared unconstitutional by the court, Chief Justice Rugg in the course of his opinion saying that when the law was passed in 1851 the telegraph was the only instrument for transmitting intelligence by electricity or for transmitting electricity at all. It is now an unfair law, since telephone, street railway, electric light, heat and power companies are excluded from its provisions, and telegraph companies only suffer absolute liability.

by the adverse experience than the mutuals.

"This tabulation disproves these contentions. The loss ratio on the small risks for both mutual and stock companies is more favorable than the average. The stock companies' highest loss ratio is on the group paying premiums between \$2,000 and \$5,000.

Argument for Small Business

"The premium level has been adjusted to a common basis. Those companies that write below the stock level were increased to represent what the premium income would have been had they charged stock company rates. You will note that the loss ratios, particularly those of the mutual companies, were surprisingly uniform for the various premium groups. This tabulation merely constitutes another argument to write all the small business that we can get."

COMPULSORY LAW HAS NOT REDUCED AUTO FATALITIES

BOSTON, July 13.—The new compulsory automobile liability act of Massachusetts has not succeeded in living up to one of the claims made for it originally, to the effect that it would reduce fatal accidents due to automobiles. The first six months of the present year the deaths numbered 288, according to the record kept by the Massachusetts Safety Council, and the number will doubtless be increased by the addition of a few more deaths in late reports. This compares with 267 for the same six months last year and is 21 more than in 1926, when the compulsory law was not in effect.

Travelers Iowa Changes

W. D. Ralston, who has been manager of the branch office of the Travelers in Sioux City, Ia., has decided to go into the producing end of the business. He will be succeeded by T. W. Cole of New York, who was formerly assistant manager of the Des Moines branch of the Travelers.

BANK ROBBERY SITUATION IS STILL BIG PROBLEM

BUSINESS IS NOT DESIRED

Mutual Is Said to Recommend That This Line Be Placed With Stock Carriers

It is said that the Bankers Mutual Fidelity & Casualty of Chicago is recommending to its patrons, present or prospective, that they place their bank burglary insurance business with that company but turn over their robbery lines to the stock corporations. If the report is true, it means that the mutual company management realizes the hazardous character of the robbery coverage and is unwilling to assume it, seeking only the preferred business and leaving the other to its stock competitors. The Bankers Mutual was formed several years ago as a protest against what its promoters termed the extortionate rates demanded for indemnity by the burglary and robbery writing companies operating in the field. As a matter of fact, the rates in force were based upon the completed experience of five years, which disclosed a loss ratio in Illinois of over 100 percent. That the figures were justified is evidenced by the reputed unwillingness of the mutual concern to write full coverage, and its desire that the high loss producing element of the business continue to be placed with the stock organizations.

Study Vigilante System

Illinois some time ago formed county vigilante committees for the preventing of bank robberies and for the pursuit of criminals where robberies occurred. To what extent this system of protection has been effective is a question. Doubtless it has had some influence but no means exists of determining this.

The bankers of Iowa were of the opinion that the rate reduction granted in their state some years ago coincident with the establishment of the vigilante service, was because of the latter move. As a matter of fact the downward revision was determined upon before news of the vigilante idea was made public, and was predicated solely upon the loss record of the state, which had been growing more favorable.

AUTO FATALITIES IN LARGE CITIES FOR PAST HALF YEAR

St. Louis had the most satisfactory record for automobile fatalities the first six months of this year of any large city in the United States, based on comparisons with the record for the same period in 1926. Milwaukee represented the other extreme with an increase of 28 deaths and a percentage increase of 66 2-3. Louisville made the second poorest showing with an increase of 65 percent.

A comparison for cities that reported complete figures for the first six months follows:

City	1926	1927	Pct. of Change
St. Louis	81	61	-24.7
Indianapolis	38	30	-21
Newark	60	50	-16.6
Rochester	23	21	-9
Cincinnati	44	41	-7
Memphis	17	16	-6
Washington	40	39	-2.5
Milwaukee	42	70	+66.6
Louisville	20	33	+65
Los Angeles	122	157	+28.7
Cleveland	77	94	+22
Chicago	326	381	+17
Boston	47	51	+8

— Represents decrease.

+ Represents increase.

New York in the first six months of 1926 killed 454, Philadelphia 133 and Pittsburgh 61. In five months this year New York killed 388, Philadelphia 101 in five months and Pittsburgh 52 in four months.

License to write automobile insurance, excluding loss or damage by fire, has been issued by the British Columbia department to the St. Paul-Mercury Indemnity.

ONLY AGENTS CAN KILL AUTO CLUB COMPETITION

TASK WILL BE DIFFICULT

Agent Who Functions as Member of Association Is in Position to Forestall Its Entry Into Insurance

Although the recent annual convention of the American Automobile Association refused to sanction sale of insurance as a proper function of automobile clubs, reciprocal and mutual insurance adjuncts of these clubs still are dangerous rivals of all companies not tied to clubs. They are dangerous of themselves and as guides to those clubs that have not yet entered the insurance business. All of the clubs operating insurance adjuncts are doing so without A. A. A. approval. This approval would give the clubs nothing excepting another point in an argument for starting insurance activity.

Prevention of the spread of motor club competition is a task that only the agent can perform. The task is a large one, but one the agent cannot shirk if he is not to see his clients in increasing numbers pass his door and go to the club for insurance. Those who for years have studied closely the development of motor club insurance agree that any club not already dominated by an unscrupulous person whose first club interest is his own financial aggrandizement can be led away from insurance activities by agents who are alert and active.

Membership First Interest

The first interest of the head of a club organized for collective civic effort is to increase the club's membership. In this kind of club the directors usually adopt insurance only as a last resort for building up the membership. The agent's obvious duty, then, is to join the club in his community and assist in obtaining members. With enough effort the agents collectively can place one of their number on the club board. As a board member the agent, with the backing of the other agent members of the club, can wield enough influence to keep any club away from insurance.

The manner in which a club becomes an insurance agency varies in different parts of the country. To form a reciprocal some person usually buys a club and merely converts it, with himself as the attorney-in-fact. A club doing business on the mutual basis usually is "sold" the insurance idea by the head of a mutual, who of course also leads the membership to believe that his company is the one and only to care for its insurance needs. In a few cases stock company heads have made club tieups and have shut off from other agents all of the club's business.

The work of prevention requires diplomacy. The agent who tries to defeat the insurance aims of a club board on the selfish business basis usually finds himself defeated, simply because the members collectively seldom can be aroused to the business interests of any individual member.

The motor club is inherently a civic organization, interested primarily in preventing baneful legislation, in improving streets and highways, and in preventing accidents. Therefore the agents who strive to prevent the perversion of these activities and the scheming of those who would use the club for their individual gain have the best chance for success in defeating competition before it is established.

Bondsmen Not in Insurance Business

NEW YORK, July 12.—Private persons furnishing bail bonds and charging a fee therefor are not transacting an insurance business in New York, according to an opinion of the attorney general given Superintendent J. A. Beha in response to a request by the latter for a ruling on the question.

REPRESENTATION IS BASED ON PRODUCTION

**Companies Do Not Hesitate to
Make Dual Connections for
Business**

AGENTS ENTER PROTEST

**West Virginia Body to Seek Return to
Practices Established Before Mul-
tiple Lines Were Written**

NEW YORK, July 13.—At the recent annual convention of the West Virginia Association of Insurance Agents the growing disposition of casualty and surety companies to appoint dual representatives in many communities in the state was animatedly discussed. The matter was finally referred to the executive committee of the body with the request that it employ its efforts to convince the companies in question to hold to the single agency rule, now followed by the majority of the fire offices operating in West Virginia.

There is no present agreement, nor has there ever been, among casualty companies as to the limitation of agency appointments. Both the casualty and the surety writing organizations, however, are governed by the acquisition cost rules as to the amount of commissions they may pay various types of field representatives. In all other respects the companies seek agency connections with the utmost freedom. Naturally they prefer sole representation in a town, provided the agent can and will give the company the volume and quality of business therefrom it is figured the community should yield. If this be not forthcoming a company will not hesitate to name a second, or even a third or fourth representative if the potential business warrant it.

Agents Have Dual Connections

It is not uncommon for a casualty agent to represent two or three companies of the same general character, the reason being that certain offices are more liberal writers of particular types of business than are others and that the agent desires facilities for placing all of his accounts. Years ago the number of companies writing general casualty together with fidelity and surety lines was comparatively limited, the majority of the offices restricting their activities to two or three branches. Thus the American Surety wrote fidelity and surety business only; the Metropolitan Casualty concentrated on plate glass risks; the Hartford Steam Boiler specialized in boilers and related lines, and so on.

In time, however, company after company broadened the scope of its operations. The American Surety added burglary and has recently decided to write the plate glass line as well. The Metropolitan Casualty now writes practically all casualty and surety lines and the National Surety is among the largest writers in the burglary underwriting field. The Lloyds Plate Glass and the Hartford Steam Boiler are among the few offices still holding to the single line idea.

Agents Forced to Expand

Because of this practice of limited lines, local agents were forced to secure connections with various companies in order to take care of their multiple risks, and as the relations with their earlier companies were eminently satisfactory, the local men were loath to surrender connections that had been long established, despite the fact that meantime some of their companies had greatly extended their writing facilities

AMONG SURETY MEN

TAKE ACTION IN IOWA FIELD

**Companies Adopt Plan to Put End to
Rebating on Contract Bonds
in That State**

NEW YORK, July 13.—Companies holding membership in the Surety Association of America have all been supplied with various forms of certificate blanks for use by their Iowa agents, in keeping with the decision reached at the June meeting of the organization to check rebating in connection with the sale of contract bonds in that state. The certificate now issued requires assurance from both agent and broker that no rebate from the manual premium has been granted, directly or indirectly, or valued consideration of any kind given or promised. Through use of the blanks the companies will not only be able to check rebating, but will know of any violation of the commission or brokerage rule and be able to place responsibility therefor.

Iowa has long been a trouble center for contract bond business, rebating having become so common that few assureds expect to pay the regulation premium, but bargain for the best rebate figure they can obtain. The result is that agents have found their returns whittled to the bone and though complaining bitterly against the condition, they have maintained that they are helpless to improve it unless supported by their companies. Such needed support will now be given. If the plan now to be enforced by the companies gains, as it should, the cordial cooperation of the men in the field, the troubles of both companies and agents in Iowa will soon be ended.

Joins Stone, Stafford & Stone

Berg D. Moore has been appointed special agent of the fidelity and surety department of the Stone, Stafford & Stone general agency at Indianapolis which has jurisdiction for the Employers' Liability and affiliated companies for Indiana and a part of Kentucky. Mr. Moore has represented the Aetna Casualty & Surety in Indiana in a similar capacity for several years, having attended the bond school of that company. Prior to that he was connected for some time with the Rough Notes Company at Indianapolis. Mr. Moore is a close student of the business and is a recognized authority on fidelity and surety bonds.

and could easily handle an agent's entire account.

Casualty and surety underwriters point out further that because of the intricacies of their business in comparison with the simple methods of fire underwriting, it is far more difficult to get suitable local connections than is the case with the fire offices. Hence instead of inducing new men to enter the agency field the casualty companies prefer locating in the office of an established agency, even though one or two companies of the same character already be represented there. Where such connections are had, the newcomer hopes to demonstrate the superiority of its particular service and so eventually to gain a favored position in the agency. To that end it is content for a time to accept a limited amount of accommodation business, helping the agent out with his hard risks. This policy, of course, will not be followed indefinitely. If the agent does not within a reasonable time show proper appreciation and give the accommodation company a fair share of his profitable lines, the relationship is brought to an end, and the company seeks another connection.

Whether an agent gets the sole representation of a company in his particular community rests almost wholly with himself. If he be a desk man sitting about waiting for business to be brought to him, he cannot properly find fault if his company appoints another

STANDARD ACCIDENT CHANGES

**Superintendency of Bonding Department
Is Divided Following Resignation
of A. W. Sisk from Position**

The Standard Accident announces the resignation of A. W. Sisk, superintendent of the bonding department for the past five years, and the joint appointment of J. P. Hacker and Harry T. Winter to this position. Mr. Sisk leaves the Standard to take charge of coast activities for the Commercial Casualty. Mr. Hacker will have supervision of activities which concern the contract, claim and bankers' blanket bond divisions, while Mr. Winter will supervise the judicial, public official, and the fidelity and miscellaneous bond divisions. Both men have been with the company since the bonding department was established, the former in charge of the bonding claims department and the latter in direct charge of the judicial and miscellaneous bond divisions. Prior to coming to the Standard, Mr. Winter was for seven years connected with the United States Fidelity & Guaranty in its home office and for two and a half years with the Indemnity of North America at Philadelphia, and Mr. Hacker for 16 years was connected with the Fidelity & Deposit.

E. N. Moseman, who has been assistant for some time to Mr. Hacker, will be superintendent of the bonding claims department. Before becoming associated with the Standard, Mr. Moseman was a practicing attorney in Detroit.

Reveal Check Kiting Scheme

ST. LOUIS, July 12.—A check kiting scheme that lasted for about two years before one of the banks involved discovered that one of its tellers apparently was short \$12,525, was disclosed when warrants were sought against the teller and a real estate man, his alleged accomplice.

Charles Johnson, chief claim agent for the National Surety, presented the facts to the circuit attorney for consideration. The teller was discharged last May. Since then his books have been under investigation by the bonding company. During the two years in which the scheme was worked successfully, it is alleged the teller and the real estate man kept three checks moving between vari-

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representative. If on the other hand he be a "go-getter," wearing out leather in the pursuit of clients, rather than wearing out his trousers hoping business will be thrust upon him, there is little doubt that the integrity of his territory will be respected by his company, which is looking for an agent of that kind, and is willing to let him take charge of a city or town if he can produce.

The considerable increase in the number of casualty and surety writing companies, and the assurance that still others of like character will be formed in the near future, has intensified the strife for proper agency connections and is another reason for the appointment of dual representation.

West Virginia, so far as is known, is the only state that has raised the sole agency question in casualty or surety underwriting circles. The issue, according to company executives, can be decided by the local men themselves. They have only to demonstrate that each is giving his company the maximum amount of business that it can reasonably expect from his locality to be assured that no other representative will be named in his field. There are many agents in different territories holding exclusive company representation, and their offices are willing to obligate themselves to continue the arrangement so long as the local man works his field to the limit.

ANALYSIS OF RETURNS MADE BY COMPANIES

**Surprised at the Unfavorable
Showing on Automobile Lia-
bility in 1926**

EXPERIENCE ON FLEETS

**Offices That Keep Away from Group
Business Seem to Have a Fairly
Satisfactory Experience**

NEW YORK, July 13.—Since the statistics were published by the National Bureau of Casualty & Surety Underwriters showing the experience on the various classes of casualty and surety business last year company executives have been delving into their own returns, especially on automobile liability. It came as a profound shock when the bureau statistics showed that for last year it was found that the underwriting loss was 1.2 percent. This was on an earned premium basis, the premiums being \$108,834,488. The amount of underwriting loss on automobile liability was \$1,329,073. Linked up with automobile liability is property damage. It shows a loss of 1.6 percent. Collision is also closely allied, its percentage of loss being 7.2 percent.

Go After Automobile Business

Companies have sought automobile business with great avidity. It has been the one line in casualty insurance that appealed strongly to the executives. Some companies in going over their figures find that they do not show a loss. Some offices show a consistent profit. Yet in the statistics of the National Bureau of Casualty & Surety Underwriters the loss ratios of some companies ran up above 60 percent. The average loss ratio for all companies was 53.8 percent on automobile liability, 50.1 percent on property damage, 60.4 percent on collision. Regardless of whether some companies made a reasonable profit or not, they are studying the figures with an eye single to the future. They are asking questions to ascertain why some companies have fared so badly in their automobile business as to bring a higher loss ratio than usual and to show a loss.

Loss on Fleet Risks

When the figures are carefully studied some few facts seem obvious. There are some companies that have thriven after volume and have gone after fleets and groups. Almost all companies that have considerable volume of such business on their books undoubtedly show a much higher loss ratio than those that go after the individual car. Even companies whose main volume is individual cars show a high loss ratio on fleet business, either written on the payroll business basis or otherwise. A few years ago the fleet experience was very unfavorable. Companies became convinced that some steps had to be taken to get this business on a different basis. Some modifications were made which have served to improve the situation. It may be said that almost all companies that write fleets either on the payroll basis or the automatic coverage basis have high loss ratios.

Made Some Modification

The National Bureau of Casualty & Surety Underwriters therefore decided to make some change in the rating on both bases. Even with these changes, however, the experience has been far from satisfactory. Rates undoubtedly have been juggled with. Owing to the larger premiums in one bunch there has been severe competition for these groups, leading to perquisites of differ-

ent kinds being made. Companies have taken too many chances for a big premium at the start. Even with the modification the companies are not getting sufficient premiums to meet the losses and expenses. Some are still plunging and offering inducements for fleets. The companies that are striving for the individual cars and are only taking fleets that are above the standard find their loss ratio forced up because of their fleet experience. Some companies that dislike fleets find it necessary now and then to write them in order to satisfy their agents.

Need More Careful Underwriting

In some cases undoubtedly underwriting has been carelessly done and there has not been sufficient selection. Some agents and brokers are passing on to companies a poor class of risks. Companies therefore have found it necessary to check up on their underwriting and eliminate unprofitable agencies and brokers. Even with the experience that is shown by the National Bureau figures some companies still conclude that the automobile class is highly desirable. They will, however, tend to object to any further decrease in rates. The liability experience will not justify any further reduction. The companies have gotten their rates down to practically a bed rock basis in order to meet mutual and reciprocal competition. With great congestion, with more paved roads and an increasing number of automobiles, accident frequency and the average cost of settling claims will increase. The statistics certainly do not justify any further rate reduction.

AMONG SURETY MEN

(CONT'D FROM PRECEDING PAGE)

ous banks. When the teller would cash a check the real estate man deposited a check in another bank to cover the first check before it got through the clearing house.

Geffen with New York Indemnity

S. J. Geffen is now connected with the Chicago branch office of the New York Indemnity as manager of the forgery, fraud, merchants protective and automobile ball bond power of attorney department. Mr. Geffen has been engaged in these specialty lines for a number of years and is equipped to give the best of service in them.

Conflict in Rulings on Iowa Law

The constitutionality of the Brookhart-Lovrien law, creating a sinking fund by diverting interest earnings on all Iowa public funds and employing the revenues to reimburse cities, towns and counties for losses of public funds on deposit in defunct banks, was upheld last week at Davenport by district Judge Scott. The opinion was part of a decision denying the application of the Scott county board of supervisors a permanent writ of injunction restraining the state treasurer from taking the county's interest money from the state fund.

Judge Scott's decision is in direct issue with a ruling handed down a week ago in district court at Keokuk where the court held the act unconstitutional and granted the city of Keokuk a temporary injunction to prevent the state from collecting municipal interest.

New York Indemnity's Gains

NEW YORK, July 13.—Under the driving power of President Spencer Welton, the New York Indemnity is forging ahead at a fine pace, particularly in the surety line, the premiums from which in June exceeded by 105 percent those for the same month last year, while the net premiums for the first half of 1927 were greater by 83 percent than in the same period of 1926. Gains have been made in all branches except compensation, where the effort has been to reduce the income.

The New York Indemnity announces the appointment of S. D. Breen & Co. as general agents for casualty business at Lowell, Mass., and the Peninsula Realty Company as district agent for surety at Carmel, Cal.

WORKMEN'S COMPENSATION

MAY COAL MINE FATALITIES

Statistics Were Compiled for the United States Bureau of Mines—Comparative Figures Given

Accidents in the coal mining industry of the United States in May caused the death of 178 men, according to information furnished by state mine inspectors to the United States Bureau of Mines. Of this number, 127 deaths occurred in bituminous mines and 51 in anthracite mines. The death rate per million tons of coal mined during the month was 4.10, as compared with 3.80 for May, 1926. The fatality rate for bituminous coal alone for May, 1927, was 3.59 and that for anthracite was 6.37, as compared with rates of 3.38 and 5.84, respectively, for May of last year.

Records of the Bureau of Mines covering the first five months of 1927 show that accidents at coal mines caused the loss of 999 lives. The production of coal in this period was 273,644,000 tons, indicating a death rate of 3.65 as against 4.03 for the same five months in 1926. The record for bituminous mines alone from January to May, 1927, was 783 fatalities with a fatality rate of 3.26, while that for anthracite showed 216 deaths, and a death rate of 6.42.

Three major disasters, that is, accidents causing the loss of five or more lives, occurred during May. All of these disasters were explosions. One at Capels, W. Va., on May 13, killed eight men. On May 26, seven men were killed in an anthracite mine at Edwardsville, Pa., and seven men lost their lives on May 27, at Delagua, Colo. These three accidents bring the total number of such disasters to seven with a resulting loss of 140 lives during the first five months of the present year as compared with eight for the same period of 1926, with a loss of 194 lives.

FIRST AIRPLANE RATES SET BY MONTANA BOARD

HELENA, MONT., July 13.—Until further demand necessitates a just rate of accident insurance on airplanes, the state industrial accident board has fixed \$5.75 for each \$100 of payroll to take care of the application of the Westland Oil Company of Scobey. Although the company does not own its own airplane, its officers are transported in planes and application for insurance was made to the board. This was the first application of the kind under the workmen's compensation act and the rate was set temporarily until planes come into more common use.

New Variety of "Accident"

LINCOLN, NEB., July 12.—The United States Fidelity & Guaranty has been held liable by Compensation Commissioner Kennedy for the three months' illness of Henry Haas, a Lincoln clothing store janitor. Haas said that he was supplied by his employers with the ingredients of a poison designed to rid the building of a plague of rats, with decayed fish and hamburger, and that the odor was too much for him. He sued under the common law for damages, but the supreme court said it was an accident and denied him relief.

Takes Federal Post

William A. Marshall, member of the Oregon Industrial Accident Commission ever since its creation, will resign to accept a post with the federal government in connection with the administration of the new longshoremen's compensation law.

Virginia Counties Under Law

RICHMOND, VA., July 12.—Virginia counties come within the terms of the workmen's compensation act, according to a ruling by the attorney general, who supports the position taken by the

Virginia industrial commission. Several state's attorneys had held that as a county could not be classed as an "industry or business," it could not be required to report to the commission, nor could the commission assess against its payroll the tax for maintaining the operations of the workmen's compensation act. The attorney general cites a provision of the act which reads as follows: "Employers shall include the state and any municipal corporation within the state or any political division thereof."

Duxbury Commission Chairman

ST. PAUL, July 12.—F. A. Duxbury, on July 1, automatically became chairman of the Minnesota industrial commission, succeeding J. D. Williams. The latter continues as a member of the commission.

K. G. McManigal, who has been a referee for the commission for several years, has been made a deputy commissioner for the United States employers compensation commission, for the district of Louisiana.

Labor Body Backs Monopolistic Bill

BOSTON, July 12.—The executive board of the Massachusetts state branch of the American Federation of Labor, at its monthly meeting, recommended to the convention which opens Aug. 1 in Fall River that a monopolistic workmen's compensation bill patterned after the Ohio plan, be submitted to the voters at the next state election.

If the convention adopts the recommendation, the incoming officers will be instructed to get out the necessary papers to obtain the 25,000 signatures required under the law for presentation to the incoming legislature. It can accept or reject the petition, but the question can be placed on the ballot over adverse action upon the securing of 5,000 additional signatures by the petitioners.

Announce Rates Under New Law

SAN FRANCISCO, July 12.—Casualty companies operating in California are preparing to write compensation insurance under the new federal longshoremen's and harbor workers' compensation act. This law, it is reported, will affect about 4,000 men in the San Francisco bay region with an annual pay roll of several millions.

The California Inspection Rating Bureau has announced the following rates for this coverage, for each \$100 of payroll: Stevedoring (not otherwise classified), \$14.44; freight handlers, \$3.46; stevedoring, hand trucks, \$5.03; stevedoring, tallymen, \$1.53; rigging ship or boat, \$7.45; ship ceiling work, \$4.99; ship scaling, \$7.85; shipwright work, \$6.13. Complaint has been made that these rates are too high, but compensation companies state that the accident experience in marine work has shown it to be one of the most hazardous risks to assume.

BURGLARY INSURANCE

NEW COVERAGE CONSIDERED

Members of National Bureau of Casualty & Surety Underwriters Discuss Safe Deposit Box Policy

NEW YORK, July 13.—Members of the burglary department of the National Bureau of Casualty & Surety Underwriters have under consideration the issuance of a special policy for safe deposit box renters. Advocates of the proposition maintain that a wide-awake field exists for the indemnity in question, and that its sale would result in a substantial premium income. They point out that hundreds of large concerns as well as individuals throughout the country now have deposited in bank boxes and in safe deposit vaults securities of great value, and that these are not protected under blanket bond covers. Moreover they contend that where blanket bonds are in force, a special safe deposit policy would allow additional indemnity and that this argument

would appeal to many corporations and individuals responsible for the safety of trust funds. The suggested new policy would cover loss from burglary, theft or larceny. While consideration has not yet extended to rates, the probabilities are that these would be comparatively low.

Penalty for Burglary Altered

Governor Len Small of Illinois has signed senate bill 378, which amends the criminal code by fixing the penalty for burglary at from one year to life.

ACCIDENT AND HEALTH

POLICY CHANGES ARE MADE

Continental Casualty Announces Revision of Forms and Rates in Accident and Health Department

The new rates on monthly payment accident and health insurance announced some time ago by the Continental Casualty will take effect July 20. The rates on the "advance," "sterling" and "popular" series only have been changed. Rates on practically all combinations containing health insurance have been raised owing to the constant increase in sickness claims. There are reductions as well as increases in new rates, however, especially on those for additional principal sum and for accident coverage only. On the basis of experience, rates on all combinations for \$100 monthly indemnity and less are favored as against the higher amounts. The number of classifications has been reduced by combining several classes.

A new policy, "advance form 214-A," supersedes the present form 214. The hospital benefit for illness has been increased from 25 percent to 50 percent and the clause giving the company the privilege of cancellation has been eliminated and a slight change in phraseology made so that the policy will be noncancellable for the period for which premium has been accepted by the company. This policy eliminates the first seven days of disability due to sickness or accident, but a rider may be attached to cover from the first day for accident and eliminate the first week of illness or another rider may be attached to cover from the first day for both sickness and accident.

The "sterling policy form 247" will be discontinued and "sterling form 247-A" will supersede it. The new form will be noncancellable for the time for which premium has been accepted by the company.

The following policy forms will be discontinued July 20: Advance form 213, Advance form 183, new Apex form 178-B, Pioneer form 43-A, Golden Rule form 39-B and Old Miners' forms 21 and 22.

Dr. Morris Fishbein to Speak

Dr. Morris Fishbein, editor of the "Journal of the American Medical Association," will be one of the principal speakers at the International Claim Association convention to be held in the King Edward hotel, Toronto, Sept. 12-14. His subject will be "Fads and Quackery in Medicine." Dr. H. W. Dingman, medical director of the Continental Casualty and the Continental Assurance, also will address the convention. An interesting feature of the convention will be an open forum discussion of subjects pertinent to handling claims. The program will not be completed for some weeks.

Objects to Furnishing Experience

It is expected that at the next meeting of the Bureau of Personal Accident & Health Underwriters there may be some lively discussion over the refusal of one of the big companies to furnish its accident experience. At a meeting some time ago, when the companies were called upon to give their experience, an official of the protesting company stated

Dishonesty

DISHONESTY on the part of trusted employees is estimated to be costing the employers of this country approximately \$200,000,000 per annum.

DISHONESTY cannot be prevented; it can only be anticipated. Most of the dishonesty losses reported each year occurred under accounting systems thought unbeatable.

FIDELITY BONDS, in adequate amounts, enable employers to anticipate dishonesty on the part of their employees and to counteract its effects.

FIDELITY BONDS, as furnished by the F & D, can be written to cover the officers and employees of all kinds of organizations—one person or ten thousand.

FIDELITY AND DEPOSIT COMPANY

of Maryland
BALTIMORE

FIDELITY and SURETY BONDS and BURGLARY INSURANCE

"Specialization Means Service"

NU 714

PRODUCTION DEPARTMENT
FIDELITY & DEPOSIT COMPANY
Baltimore, Md.

If you are not already adequately represented in this territory I will be glad to have full information regarding an agency connection with your company.

(Signed)

Address

that it had been at considerable pains and expense to acquire this experience and that it did not believe it was warranted in furnishing it to competitors. The head of the accident department of one of the large companies threatened to withdraw from the bureau. It is likely that the bureau will insist on all companies that are members complying with the demand or getting out.

Lincoln H. & A. Expanding

The Lincoln Health & Accident of Oklahoma City announces the establishment of two new staffs, one in Tulsa with J. DeArmond in charge and the other in Oklahoma City, headed by A. S. Jones. This gives the districts in those cities three staffs each. Six new debits have been created, at Altus, Shawnee, Ponca City, Oklahoma City and Chickasha.

Accident Case Decided

Where decedent was employed as a jeweler and was killed while fighting a fire as a volunteer fireman some distance from his place of business, held that the insured was not engaged in doing an act pertaining to his occupation and could not recover the double indemnity under the policy.—Cowley vs. Mass. Protective, Sup. Ct. La.

Harris Made Supervisor

R. E. Harris has been appointed agency supervisor of the Continental Casualty, specializing on commercial accident and health. He travels out of the home office in Chicago. He was formerly with the Travelers.

Receiver for Memphis Mutual

MEMPHIS, TENN., July 13.—A. S. Caldwell, state insurance commissioner, was named receiver for the Victory Mutual Indemnity of Memphis following the filing of a bill in chancery court by Thomas Thompson, its president, and a number of directors. Assets were given as \$8,866.14, and liabilities as \$12,560.11, consisting largely of unpaid claims on automobile policies.

PERSONAL GLIMPSES OF CASUALTY MEN

Nelson D. Sterling, vice-president of the Constitution Indemnity, will return this week to his office after an automobile trip through the Adirondacks.

C. C. Wright, vice-president and general manager of the Constitution Indemnity of Philadelphia, is sailing this week for a month's trip to Paris and London. He is accompanied by Mrs. Wright and relatives.

Clarence C. Perry, superintendent of the boiler and machinery department of the Ocean Accident & Guarantee, is in Chicago this week. He is making the stop on a tour of the middle west. He probably will go east from Chicago.

Leo E. Thieman of the Casualty Information Clearing House, Chicago, and Mrs. Thieman have gone to Louisville, Ky., for a two-week vacation.

C. O. Pauley, secretary and treasurer of the Great Northern Life, returned to his office in Chicago this week from a two-week motor trip through the east. Mr. Pauley traveled with his family and visited New York, Boston and points in upper New England.

Mortimer L. Cahill, who recently won the Continental Casualty's 60-day contest for straight accident business, set what is said to be a world record on this line, with 303 applications and more than \$13,000 of premiums. Mr. Cahill is connected with R. W. Hyman & Co., Chicago, general agents for the Continental Casualty. He has been with the firm about four years, and has been in the insurance business a total of about 20 years. When he started in the business Mr. Cahill gave most of his time and thought to accident and health, later switching to life insurance. Since



MORTIMER L. CAHILL

connecting with the Hyman agency, however, he has again given most of his time to accident and health. Mr. Cahill was born in Kansas, and was educated in the public schools of Chicago and at the University of Chicago. In high school he made an enviable record as a baseball player, and at college was a star of the track team.

William J. Lemp, treasurer of the Indemnity Company of America, was injured seriously last week when a tire on his automobile burst and caused the machine to overturn near St. Louis. Mr. Lemp and Henri F. David, secretary of the company, were returning to St.

Louis from Mr. Lemp's estate near Sappington, Mo., when the mishap occurred. Mr. David escaped with a deep gash on his scalp and minor cuts and bruises. The cut on the scalp required seven stitches, but he was able to go to his home after emergency treatment. Mr. Lemp was removed to the Missouri Baptist Sanitarium, where 40 stitches were taken to close cuts on his head and face. He will remain in the hospital for several days.

Wilfrid C. Potter, vice-president of the Preferred Accident, together with his family, is enjoying life in Italy, where he plans to stay until early in September. He had intended to go to Spain as well, but finding the weather too warm, deferred a trip to that country until another year.

H. H. Armstrong, superintendent of life and accident agencies of the Travelers, accompanied by Mrs. Armstrong, sailed from Quebec last week to spend six weeks with friends in London and Paris.

B. C. Maercklein of the publicity department of the Aetna Life and affiliated companies and for many years editor of the "Aetna-izer," but now in charge of the advertising for the automobile departments, is on a trip to England and France.

Harold R. Gordon, secretary of the Health & Accident Underwriters Conference, Chicago, left with his family last Saturday for a vacation in the form of a motor trip to Michigan and eastern Canada. He will return to Chicago about the middle of the month.

W. T. Grant, president of the Business Men's Assurance of Kansas City, has been converted to the practical value of commercial aviation. On July 8, Mr. Grant and Louis Graham, chief adjuster for the company, started for a 5:20 train for Minneapolis. When they arrived

"Let's Go" will put
money in all
your pockets



NEW NATIONAL SURETY COMPANY PLANS

For Development
of New Business

WILL PUT MONEY IN THE
POCKETS OF ALL AGENTS
WHO ARE WILLING TO
ADAPT NEW IDEAS

If you would like to increase your present income, regardless of where you are or what lines you are now handling, it will be well worth your while to get in touch immediately with us.

ADDRESS E. M. ALLEN, VICE PRESIDENT

NATIONAL SURETY COMPANY

Wm. B. Joyce, Chairman

115 BROADWAY, NEW YORK

E. A. St. John, President

"The 25,000 fatal accidents in 1926 pave a way for those with insurance protection to sell.

These automobile fatalities are so many tragic warnings: while the lessons taught in the hundreds of thousands of injuries which occur every year, keep educating the public in their insurance need"

Go After The Other Four

The National Bureau estimate advertises the startling fact that only one in five of this country's 22,000,000 autos are insured.

*Your Field Riper Than Ever!
Reap In 1927*

ROYAL INDEMNITY COMPANY

CASUALTY INSURANCE—BONDS

150 William Street

NEW YORK CITY



STANDARD FORM
EXCESS LOSS
(50/50) FORM



HOME OFFICE:
INSURANCE EXCHANGE
CHICAGO



This Company Writes Plate Glass Insurance Exclusively

Write for Attractive Sole Agency Contract in Your Territory

New Amsterdam
Casualty Company

**A Progressive
Surety and Casualty Company**

Was It Worth \$5.00?

Union Indemnity Co.,
100 Maiden Lane,
New York City, N. Y.

Gentlemen:

As you know, my husband Anthony Santo who held your policy SA-404815, was killed by an automobile on May 22nd.

Am writing to tell you that Mr. Darcy, your Claim Manager today gave me a check for \$1,000 in full payment of my claim. For my circumstances your quick and fair action has been a Godsend, and I am very thankful.

Sincerely yours,

THERESA SANTO

**Union Indemnity
Company**

**NORTHWESTERN
CASUALTY AND SURETY COMPANY**

EXECUTIVE OFFICES: Union Indemnity Building, New Orleans
EASTERN DEPARTMENT: 100 Maiden Lane, New York

EXCEPTIONALLY EXPERIENCED AND CAPABLE CLAIM EXECUTIVE DESIRES NEW ASSOCIATION

At present Assistant Chief Claim Executive Home Office large Stock Company handling all Casualty lines throughout the United States. Formerly General Claims Attorney medium-sized company operating throughout Middle West, Northwest and Southwest territories, with personal contact therewith. Prior field experience as Claims Attorney and Joint Manager Sectional Office. University and Post Graduate Law School education.

Address B-44 Care The National Underwriter.

SPECIAL AGENT WANTED

Large Stock Company operating Branch Office in Chicago will consider applications from experienced Casualty and Surety men for position of Special Agent in down state territory. Plenty of opportunity for right man who can demonstrate ability to develop agency production. Give complete details of your experience in first letter, also mention salary desired. Address B-40, Care The National Underwriter.

CASUALTY MAN DESIRES TO MAKE A change. Now in charge of casualty department in Chicago local agency. Expert in all lines of casualty insurance including automobile, fire and theft, plate glass and burglary. A good producer with a large acquaintance in local field. Address B-46 Care The National Underwriter.

SPECIAL AGENT

Wanted by casualty company writing automobile insurance exclusively a special agent with a following or familiar with Ohio field. Excellent opportunity for the right man. Address B-42, Care The National Underwriter.

at the Union Station they found that they were one minute late and their train had pulled out. They were to attend a group meeting of B. M. A. salesmen in that city the next day, and immediately cast about for some means of meeting their engagement. Mr. Grant called Lou Holland, president of the Chamber of Commerce of Kansas City, and a great aviation enthusiast, and asked him to make arrangements for a plane to overtake the Rock Island train for Minneapolis. At 6:50 arrangements had been made with the National Air Transport Company and Mr. Grant and Mr. Graham were on their way to Trenton, Mo., by airplane. At 7:40 they were at Trenton, where an automobile met them, and took them to the station 20 minutes ahead of train time. Mr. Grant wired back saying that they had caught the train and were on their way. He added that except for Lindbergh they might not have tried it.

Joseph D. Flynn has resigned as supervisor of personnel and procedure in the compensation and liability department of the Travelers to head the statistical department of Goodwin, Beach & Co., investment brokers of Hartford. Mr. Flynn is a graduate of Trinity College and was professor of mathematics there when he became associated with the Travelers in 1918. He is a brother of Benedict D. Flynn, secretary of the Travelers.

Mr. Flynn was guest of honor at a dinner given him by the heads of the various divisions of his department at the Travelers. Sanford B. Perkins, assistant secretary of the department, presided. Mr. Flynn was presented with a gold wrist watch.

PLATE GLASS INSURANCE

APPROVE RATE REDUCTIONS

New Schedule Effective in Various Sections Aug. 1 Sanctioned by Both Plate Glass Bureaus

NEW YORK, July 13.—Uniform reductions in plate glass insurance rates in various sections of the country, applicable to both new business and renewals as of Aug. 1, have been sanctioned by the companies holding membership in the National Bureau of Casualty & Surety Underwriters and by those subscribing to the service of W. F. Moore, the former organization having approved the schedule of revisions prepared by Mr. Moore some time ago. The new rates have already gone out, those applying in Washington having been filed with the insurance commissioner in compliance with the state law requiring 15 days' advance notice of any intended change in tariffs.

The reductions, broadly, range from 5 to 25 percent in the territories affected. An allowance of 33 1/3 percent has been made only in one city, the loss record of which has been notably favorable. The only advance ordered was in a Florida community. It is estimated that the reductions sanctioned will apply to about 10 percent of the total plate glass premiums of the country, which last year amounted to \$16,000,000 in round figures.

OPPOSITION TO NEW LINE IS WITHDRAWN

NEW YORK, July 13.—As was expected, after Charles C. Nadal, vice-president of the Fidelity & Casualty and legal chairman of the Boiler & Engineering Insurance Service Bureau, explained to Superintendent Beha the method of coverage granted by casualty companies in writing electric current interruption insurance, the commissioner has withdrawn his opposition to this form of indemnity and sanctions its issuance.

At the same time Mr. Beha warns that since many assureds may be granted electric service from one central power plant, the companies must guard against assuming too great liability under one basic risk, and thereby violate section 24 of the New York insurance law governing the limitation of risk.

Electric current interruption is a new form of indemnity issue by a number of the steam boiler writing companies. The Maryland Casualty is the latest to add the line.

Reorganization Work Completed

PHILADELPHIA, July 13.—After several months spent on the Pacific coast reorganizing the department offices at San Francisco of the Commercial Casualty of Newark, R. L. Greene, assistant manager of the company's branch office in this city, is again at his desk here.

New Century Widens Territory

The New Century Casualty of Chicago, writing plate glass exclusively, has been licensed in Minnesota and Louisiana, and license has been applied for in a number of other states.

R. S. Chaloner Office to Move

Russell S. Chaloner, manager of the Chicago branch office of the Norwich Union Indemnity, announces that on Aug. 1 the office will be moved to suite 465 Adams-Franklin building. Since the first of the year the branch staff has been considerably increased and the office has doubled its writings as compared with the first six months of last year. As a result the old offices at 166 West Jackson boulevard have become too small. The new offices not only will provide more commodious quarters for the staff, but also will provide for expected future expansion. The new space will be double that which the branch now occupies.

ACTION ON ACCIDENT POLICY IS APPROVED

(CONTINUED FROM PAGE 31)

tained by it would seem to indicate the wisdom of the procedure.

The recent action of the Travelers with respect to the life indemnity feature was doubtless in the mind of Secretary Ahern when in the course of an interesting address made at the mid-winter meeting of the Health and Accident Conference at Chicago last March, he said:

Problem Put to Conference

"Another problem which confronts us at this time is the total disability clause in accident policies. So many times underwriters are asked to define what constitutes permanent total disability. Disability clauses in life insurance policies use the language 'wholly disabled and continuously and wholly prevented for life from engaging in any occupation or employment for wage or profit.' The life indemnity feature in the accident policy has been for some years a material factor in the increasing loss cost, and is becoming increasingly expensive. I have a great deal of sympathy for those who suffer real total disability, and the benefit should be preserved at all costs. But it is poor policy to pay out a large sum of money in a case after the claimant is known to be physically able to again engage in gainful occupation."

TO TAKE OVER OLD COMPANY

Northwestern Mutual Accident of Seattle Merged With Northwestern Life & Accident

SEATTLE, WASH., July 13.—Merger of the Northwestern Mutual Accident Association of Seattle with the Northwestern Life & Accident is announced by President T. C. Brownlee. Under the same management, the former company, a mutual, has concentrated on accident and health business, while the latter, a stock company, has written life business only since its organization a year ago. The combined company will immediately inaugurate a campaign for life and accident and health business in the Coast states. The Northwestern Life & Accident is already operating in Washington and will shortly enter California and Oregon, President Brownlee announces.

Metropolitan Increases Capital

NEW YORK, July 13.—The increase in capital from \$2,500,000 to \$3,000,000 has been completed by the Metropolitan Casualty. The examination report shows that as of June 29 the \$500,000 additional capital was paid in and \$1,100,000 was added to the surplus account. The Metropolitan Casualty now has a capital of \$3,000,000 and net surplus of \$3,354,000.

New Detroit Company

DETROIT, July 13.—Joseph G. Standart, president of the National Loan & Investment Co., which has advertised resources of \$10,000,000 has secured permission from the state securities commission to sell stock in a new casualty company which is to have \$2,000,000 capital and surplus of a like amount. The well-known legal firm of Angell, Turner & Dyer is the legal advisor.

Rates Raised in Massachusetts

To cover the additional benefits granted under the new laws of Massachusetts, workmen's compensation rates in the state will be increased 7.7 percent.

Charles F. Weeks Appointed

The Constitution Indemnity of Philadelphia has appointed Charles F. Weeks head of its liability department.

A square deal—regardless of cost.

Both to Agents and the assured.

Big men at the helm of the Republic, who realize that straight shooting is the only enduring foundation for permanent success.



JOSEPH W. WARD, President and General Manager

Re-Insurance
Excess Re-Insurance
Catastrophe Hazard

Blanket Auto Excess Fire Covers in American Companies

DEE A. STOKER

RE-INSURANCE UNDERWRITER

111 W. Jackson Blvd. CHICAGO

Full Coverage
Automobile
Insurance
At
Independent
Rates

Stock Company
UNDERWRITERS CASUALTY COMPANY
HOME OFFICE
PLANKINGTON BUILDING MILWAUKEE, WIS.

Capital and Surplus
\$200,000.00

Agents Solicited

An A-1 Company for A-1 Agents.

Desirable Territory in Illinois.

ILLINOIS MOTOR CASUALTY COMPANY

SPRINGFIELD

J. L. PICKERING, President

Assets Over\$500,000.00
Capital and Surplus Over..... 350,000.00

All Coverages in One Policy
Write for Interesting Agency Information.

AMERICAN INDEMNITY COMPANY

Galveston

Complete Automobile Protection

In One Policy

Liability Property Damage Collision Fire Theft Tornado

FIDELITY AND SURETY BONDS

Whatever any other company does for its Agents
within the bounds of sound, ethical business and
good underwriting practices we will do.

*Desirable General Agency Contracts Available
in Unallotted Territory*

The American Credit-Indemnity Co. of NEW YORK

CREDIT INSURANCE ONLY

J. F. McFADDEN, President

*The American's Policy not only provides absolute protection against abnormal loss on all
outstanding covered accounts, but serves to prevent losses.*

If you are a manufacturer or jobber, write for the full particulars of this service.

511 Locust St., St. Louis, Mo. 104 Fifth Ave., New York

OFFICES IN ALL PRINCIPAL CITIES

R. J. LYDDANE, Manager, 1045 Illinois Merchants Bank Bldg., Chicago

**\$1,000 Accident Coverage with Every Automobile Policy
AT NO EXTRA COST!**



THE AMERICAN GUARANTY CO.
COLUMBUS, OHIO

AUTOMOBILE INSURANCE
Full Coverage in One Policy

FIDELITY AND SURETY BONDS

Write for
Territory in
Central States

Income Insurance Specialists

OPPORTUNITIES FOR SALESMEN
IN FORTY-SEVEN STATES

North American Accident Insurance Co.
209 South La Salle Street, CHICAGO

100% Co-operation

We wish to thank our customers and
friends for the co-operation we are
receiving since the recent reduction
in prices on Plate Glass.

We shall continue to render the same
service and UNTIRING efforts in mak-
ing replacements.

"A Retaliation for our Past Success"

OUR INSPECTION DEPARTMENT IS AT YOUR SERVICE

AMERICAN GLASS Co.

1030 NORTH BRANCH ST.

CHICAGO, ILL.

TELEPHONE: MOHAWK 1100 :: ALL DEPARTMENTS

GENERAL ACCIDENT

FIRE AND LIFE

ASSURANCE CORPORATION, LTD.

Accident and Health, Burglary, Plate Glass,
Steam Boiler, Automobile Liability, Property
Damage and Collision, Elevator, Teams, Public
Liability and Workmen's Compensation

FREDERICK RICHARDSON, United States Manager
General Building 4th and Walnut Streets
PHILADELPHIA

NOW IS THE TIME

To make an agency connection with the
INTER-OCEAN CASUALTY COMPANY
CINCINNATI, OHIO

Celebrating the beginning of its Twenty-fifth Year.

Wonderful Prize offers and Home-Coming.

Special Commercial and Monthly Policies to mark celebration year.

Write Home Office for liberal contracts.

Available territory in thirty-five states
for men of production ability only.

Report Your Business Direct

Let us explain our agency proposition

AMERICAN CASUALTY COMPANY
READING, PENNA.

ASSETS \$3,218,290.89



1927
Accident and Health
Premium Income
\$3,373,489.00

GAIN OVER 1926

\$822,922.46

THE PROVIDENT
writes

Commercial, Monthly
Premium and Railroad
Installment Accident and
Health Insurance

Specialist in Group Acci-
dent and Health Insurance

Ordinary Life Insurance

General Agency Openings
in

Washington Oregon
Minnesota Iowa
Wisconsin Michigan
Kansas Oklahoma
Illinois Ohio

Write today for particu-
lars about our liberal
agency contracts.

The PROVIDENT LIFE
and ACCIDENT INSURANCE
COMPANY
of Chattanooga, Tenn.
1887 NOW IN ITS
FORTIETH YEAR 1927

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INDIANA
ILLINOIS
KANSAS
MISSOURI
PENNSYLVANIA

We want some live wire organ-
izers to train salesmen in our
monthly premium paying Accident
and Health Department, in above
States. High grade proposition to
men who can deliver. Write at
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good turn—get him
acquainted with The
National Underwriter,
the real insurance news-
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The Insurance Agent
and His Obligations

Every insurance agent has a
dual obligation—to the insured,
on the one hand; to the company
he represents, on the other hand.
And, besides, he is interested in
his own welfare.

No man can meet these obliga-
tions without the whole-hearted
cooperation of the Home Office.
We recognize this fact and strive
to keep it uppermost in all deal-
ings with our agents.



UNITED STATES FIDELITY
AND GUARANTY
COMPANY

Home Office:
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\$155,000,000 Paid in Claims in 30 Years

The A & H Review A monthly magazine for health
and accident salesmen. \$2 a year.



This Company should have your consideration.

Accident and Health
Automobile—Plate Glass
Compensation—Liability, all lines

Territory: Illinois, Indiana, Iowa, Kentucky,
Maryland, Michigan, Minnesota,
Missouri, Nebraska, Ohio, Penn-
sylvania, Wisconsin.

CENTRAL WEST CASUALTY COMPANY
DETROIT, MICHIGAN

Surplus to Policyholders,
December 31, 1926, \$1,375,069.61

In Six States



THE Pennsylvania Casualty Company has attractive territory open for men who desire to sell accident and health insurance with an organization issuing policy contracts free from irritating technicalities and restrictions and covering every kind of accident or disease.

If you are interested in representing a live accident and health company in Pennsylvania, West Virginia, New Jersey, Maryland, Delaware, Ohio, or the District of Columbia, address J. W. Smiley, President and General Manager.

PENNSYLVANIA CASUALTY COMPANY

LANCASTER, PENNSYLVANIA

**Our Agents
always
get more
than an
even break**

ZURICH

**General Accident & Liability
Insurance Company, Limited**

HEAD OFFICE, Chicago EASTERN DEPT., New York

The Fidelity and Casualty Company of New York

ROBT. J. HILLAS, President

**CASUALTY INSURANCE
AND
SURETY BONDS**

DETROIT FIDELITY AND SURETY COMPANY

Home Office, Detroit, Michigan

HOMER H. McKEE, President



*Where the Progressive Agent Receives
Progressive Surety Service*

Capital and Surplus Over \$3,000,000.00

**FIDELITY AND SURETY BONDS
EXCLUSIVELY**



REPRESENTATION

THE Insurance Company of North America is represented by the most alert and progressive agents and brokers everywhere. It has the preference because of its 135-year record of obligations promptly met and because its scope of property protection is all-inclusive, its service efficient. Because it is advertised in the magazines of greatest influence with the insuring public, North America protection is widely known and readily accepted.

**Insurance Company of
North America**

PHILADELPHIA

and the

Indemnity Ins. Co. of North America

write practically every form of insurance except life

